

Strong progress at Liontown's two hard-rock WA lithium projects position it for a transformational year in 2019

HIGHLIGHTS

KATHLEEN VALLEY LITHIUM PROJECT (WA)

- Scoping Study to assess the Kathleen Valley Project generates strong financial outcomes, confirming the viability of a proposed standalone mining and processing operation.
- Results pave the way for further feasibility studies targeted for completion by early 2020.
- Preliminary metallurgical test work results confirm that a saleable Li₂O concentrate can be produced. Key outcomes include:
 - **5.9% Li₂O** from Dense Media Separation concentrate;
 - **36% mass rejection** with two-stage Dense Media Separation;
 - **5.5% Li₂O** from flotation concentrate;
 - **Low iron (Fe₂O₃)** content of **<0.5%**;
 - **Predicted recovery of 79% Li₂O**; and
 - Preliminary **Ta₂O₅ concentrate**.
- Second phase of metallurgical drilling completed with test work on a further 4 tonnes of samples underway to optimize grade/recovery performance and produce a spodumene concentrate to a minimum 6% Li₂O grade.
- 16,000m Reverse Circulation drilling program to commence in February 2019 targeting Mineral Resource growth aimed at increasing mine life.

BULDANIA LITHIUM PROJECT (WA)

- Latest drilling confirms a large lithium-mineralized system at the Anna pegmatite with the mineralization remaining open along strike and down-dip. New intersections include:

29m @ 1.3% Li₂O from 66m (BDR0089), including:

- **9m @ 1.7% Li₂O from 74m**

39m @ 1.6% Li₂O from 9m (BDR0090), including:

- **6m @ 2.1% Li₂O from 12m**; and
- **13m @ 2.1% Li₂O from 21m**

30m @ 1.4% Li₂O from 9m (BDD0003), including:

- **9m @ 1.6% Li₂O from 9m**; and
- **3m @ 2.0% Li₂O from 26m**; and
- **5m @ 1.6% Li₂O from 32m**

(True widths 90-100% of down-hole widths listed above)

- Additional drilling planned at Anna to evaluate recently identified extensions ahead of a maiden Mineral Resource estimate.
- Soil sampling defines a large, high-order lithium anomaly ~5-8km NW of Anna, partly coincident with outcropping spodumene-bearing pegmatites.



Drill rigs at Kathleen Valley

INVESTMENT HIGHLIGHTS

- Positive Scoping Study paves way for further feasibility studies on >21Mt, high grade lithium-tantalum Mineral Resource at Kathleen Valley.
- Second significant lithium discovery confirmed at Buldania.
- Maiden 84Mt vanadium Mineral Resource delineated at the Toolebuc Project.



Buldania drill core showing coarse spodumene crystals

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Commenting on the December Quarterly Report, LioneTown's Managing Director, Mr David Richards, said:

"The strong progress achieved in the December Quarter has clearly shown that we have two significant hard rock lithium assets at Kathleen Valley and Buldania – both located in premier WA mining districts and both exhibiting all the key characteristics required to advance rapidly towards development."

"At Kathleen Valley, the completion of a high-quality maiden Mineral Resource provided the foundation to move ahead rapidly with preliminary metallurgical test work programs and a Scoping Study, the results of which indicate potential to develop a significant new lithium mining and processing operation at Kathleen Valley of a similar scale to some of the recently commissioned operations in the Pilbara. This will allow us to proceed with feasibility studies in parallel with a new phase of drilling to keep growing the Resource."

"At Buldania, recent drilling has highlighted significant upside to the mineralisation we have already delineated and we intend to hit the ground running in 2019 with a new drill program to test these extensions before estimating a maiden Resource. By the end of this year, we expect to have two Feasibility-level hard rock lithium projects in WA ready to move into development to take advantage of the strong growth in the global lithium-ion supply chain from 2020 onwards."

PROJECTS

1. Kathleen Valley Lithium Project, WA (LioneTown: 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 (**Figure 1**). Spodumene-bearing pegmatites were discovered by historical prospecting at Kathleen Valley and drilling by LioneTown has since delineated a maiden Mineral Resource estimate of **21.2Mt @ 1.4% Li₂O and 170ppm Ta₂O₅**.

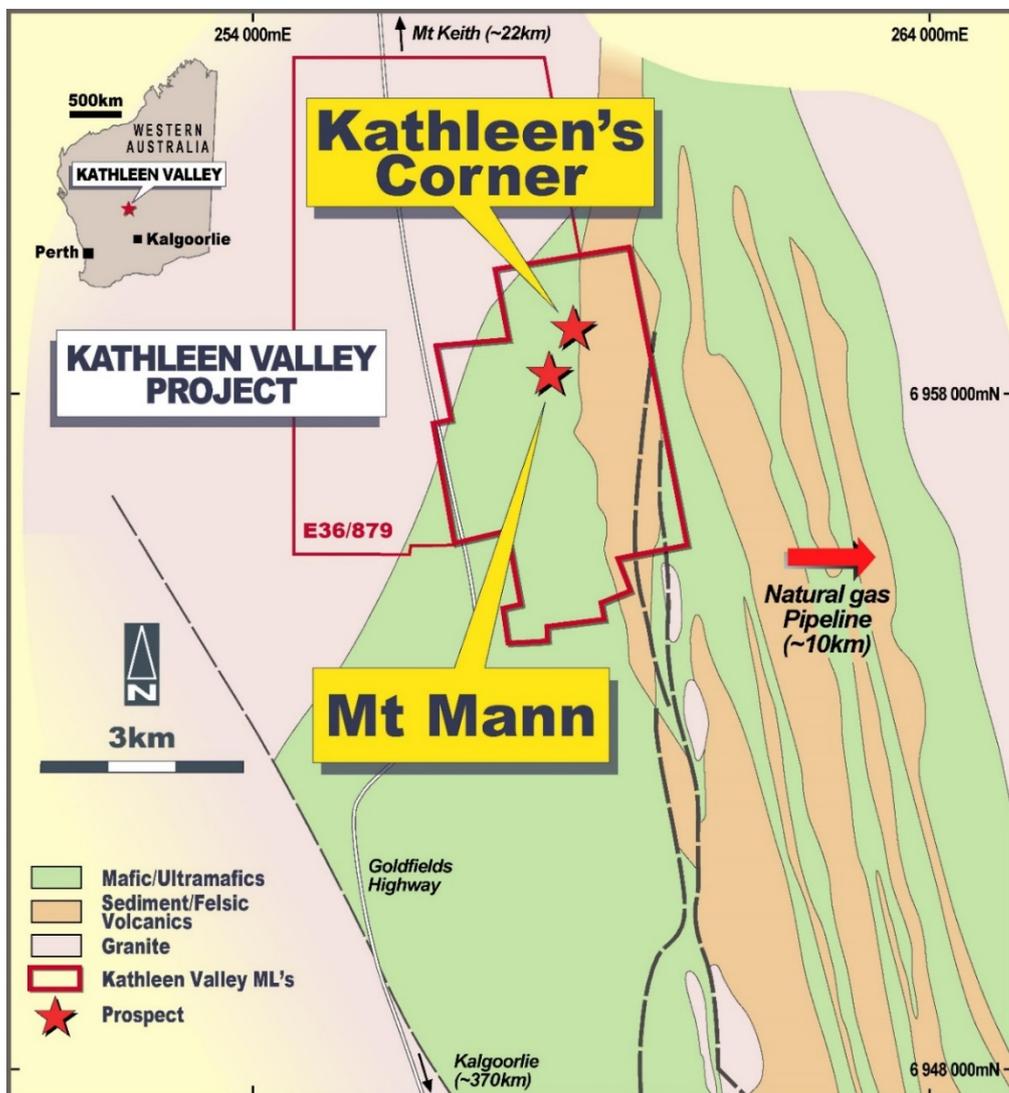


Figure 1: Kathleen Valley Project – Location and Geology Plan.

Following the maiden JORC Mineral Resource estimate reported last quarter, Liontown continued to fast-track the Kathleen Valley Project with activities during the Quarter including the completion of a Scoping Study, preliminary metallurgical test work and additional metallurgical drilling.

SCOPING STUDY

Financial Outcomes

Based on the maiden Mineral Resource Estimate comprising Measured, Indicated and Inferred Resources totalling 21.2Mt @ 1.4% Li₂O and 170ppm Ta₂O₅ and a proposed 2Mtpa standalone mining and processing operation, the Scoping Study has demonstrated the potential for strong financial metrics for the Kathleen Valley Project (**Table 1**).

Table 1: Kathleen Valley Project – Base Case Key Metrics

Study Outcome	2Mtpa Base Case (Lithium and Tantalum)
Post-tax NPV ^{8%} (real, post-tax)	A\$316M to A\$526M with a Base Case of A\$421M (range +/-25% of Base Case NPV)
Internal Rate of Return (IRR)	38% (Base Case IRR)
Payback period (Lithium and Tantalum)	<3 years
Life of mine (LOM)	9 Years (including ramp-up)
Pre-production capital cost	~ A\$232M including A\$40M in contingency
Average LOM cash operating costs ¹	~ US\$376/tonne (A\$522/tonne) of spodumene concentrate. ~ US\$308/tonne (A\$428/tonne) of spodumene concentrate net of tantalum by-product credits
Annual production	~ 360,000 tonnes of spodumene concentrate at nameplate capacity

¹ Cash operating costs include all mining, processing, transport, state and private royalties, freight to port, port costs and site administration and overhead costs

Approximately 80% of the LOM Production Target is in the Measured and Indicated Mineral Resource categories and 20% is in the Inferred Mineral Resource category. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target will be realised.

Figure 2 provides an indication of the sensitivities on the project economics.

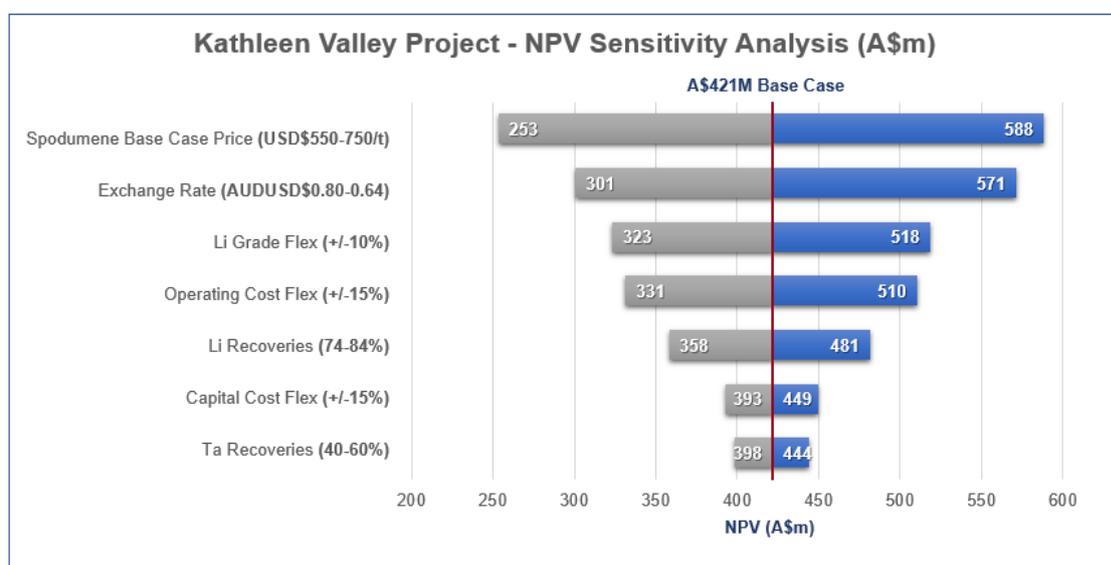


Figure 2: NPV Sensitivity Analysis

A “Lithium-Only” case was also evaluated, excluding tantalum revenue streams and associated capital expenditures, resulting in a positive NPV_{8%} of A\$323M and IRR of 34%.

Parameters and Assumptions

The Scoping Study was completed to an overall +/- 35% accuracy using the key parameters and assumptions set out in Table 2.

Table 2: Key Parameters and Assumptions

Parameter	
General and Economic	
Discount rate (real, post-tax)	8%
Spodumene concentrate price	US\$650 per tonne FOB
Tantalum concentrate price (contained Ta ₂ O ₅)	US\$71 per pound FOB
Exchange rate – AUD/USD	0.72
Mining and Production	
Average Life-of-Mine strip ratio	8.24:1
Processing rate	2Mtpa
Life-of-Mine Production Target	15.7Mt ore
Average Li ₂ O grade (diluted)	1.26%
Average Ta ₂ O ₅ grade (diluted)	154ppm
Li ₂ O recoveries	79%
Ta ₂ O ₅ recoveries	50%
Spodumene concentrate grade	5.6%
Tantalite concentrate grade	30%
Moisture content of concentrate	13%
Cost Assumptions	
LOM average open pit mining costs (\$/t ore mined)	A\$37.72
LOM average processing cost (\$/t ore milled)	A\$19.32
Logistics and transport (\$/t concentrate)	A\$75.65
General and admin (\$/t ore milled)	A\$6.01
Western Australia State royalty	5%
Other royalties	3% gross sales and \$0.5/t ore mined
Corporate tax rate	30%
Estimated opening tax losses available	A\$25M

The recovery and grade assumptions for spodumene are based on a preliminary test work program (see below). The recovery and grade assumptions for tantalum are based on industry norms and will be evaluated in the next phase of metallurgical testing.

Revenue and costs are based on FOB (Geraldton) using an estimated sale price for spodumene concentrate of US\$650 per tonne and a AUD/USD exchange rate of 0.72.

Site Layout

The preliminary layout of the mine, process plant and waste dumps are shown in Figure 3.

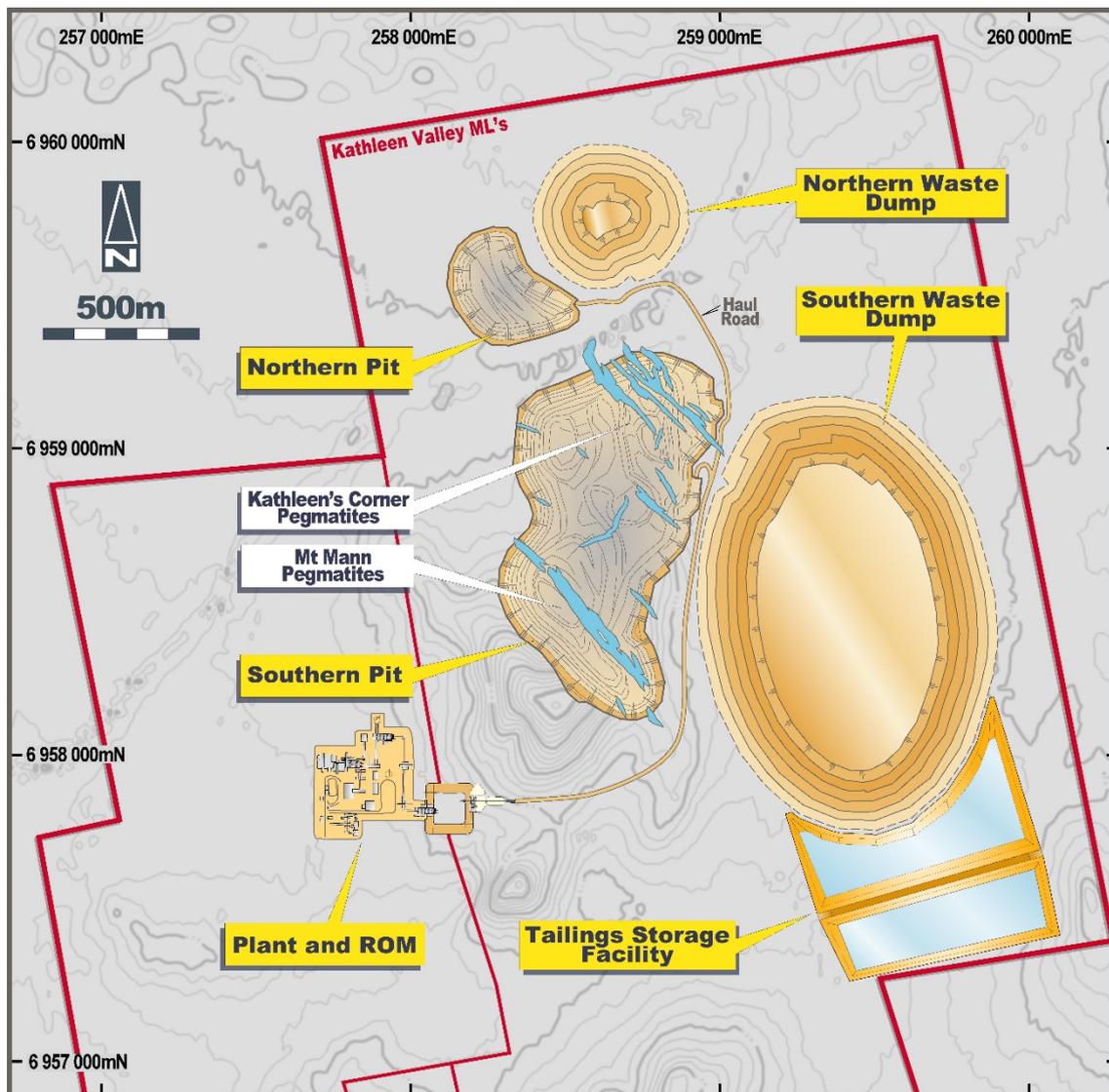


Figure 3: Kathleen Valley Project – Preliminary site layout.

Metallurgical Test Work

Preliminary metallurgical test work was based on a 300kg sample with results indicating that a saleable spodumene concentrate, similar to those from existing lithium mining operations in Western Australia, can be produced from Kathleen Valley.

Lithium oxide (“Li₂O”) grades of 5.9% from two-stage Dense Media Separation (“DMS”) test work and 5.5% from flotation test work resulted in a combined concentrate product of 5.6% Li₂O at a predicted recovery of 79% and with a low iron content (<0.5% Fe₂O₃).

The test work programme was conducted at Nagrom’s metallurgical laboratory in Perth, Western Australia and supervised by Lycopodium Minerals Pty Ltd (“Lycopodium”), a well-established and highly-credentialed engineering and project delivery company.

Given that the individual process units have not yet been optimized for recovery or grade, the results provide strong support for the ability to achieve a saleable Li₂O (spodumene) concentrate and increased confidence that a Ta₂O₅ (tantalum) concentrate can also be produced from the Kathleen Valley Project.

The test work was commissioned based on a composite sample, created from six diamond drill core holes which were sited to ensure collection of material representative of the Mineral Resource.

The test work flowsheet included the following:

- Crushing and screening to -6.3 +1mm followed by 2-stage heavy media separation to produce a 5.9% Li₂O grade concentrate and a throwaway tail;
- Pre-concentration of the middlings and -1mm fines to produce a tantalum concentrate; and

- Grinding of the tantalum tails to 150µm and de-sliming prior to froth flotation to produce a flotation concentrate containing 5.5% Li₂O with low levels of iron (Fe₂O₃ <0.50%).

The test work results are illustrated in **Figure 4** below.

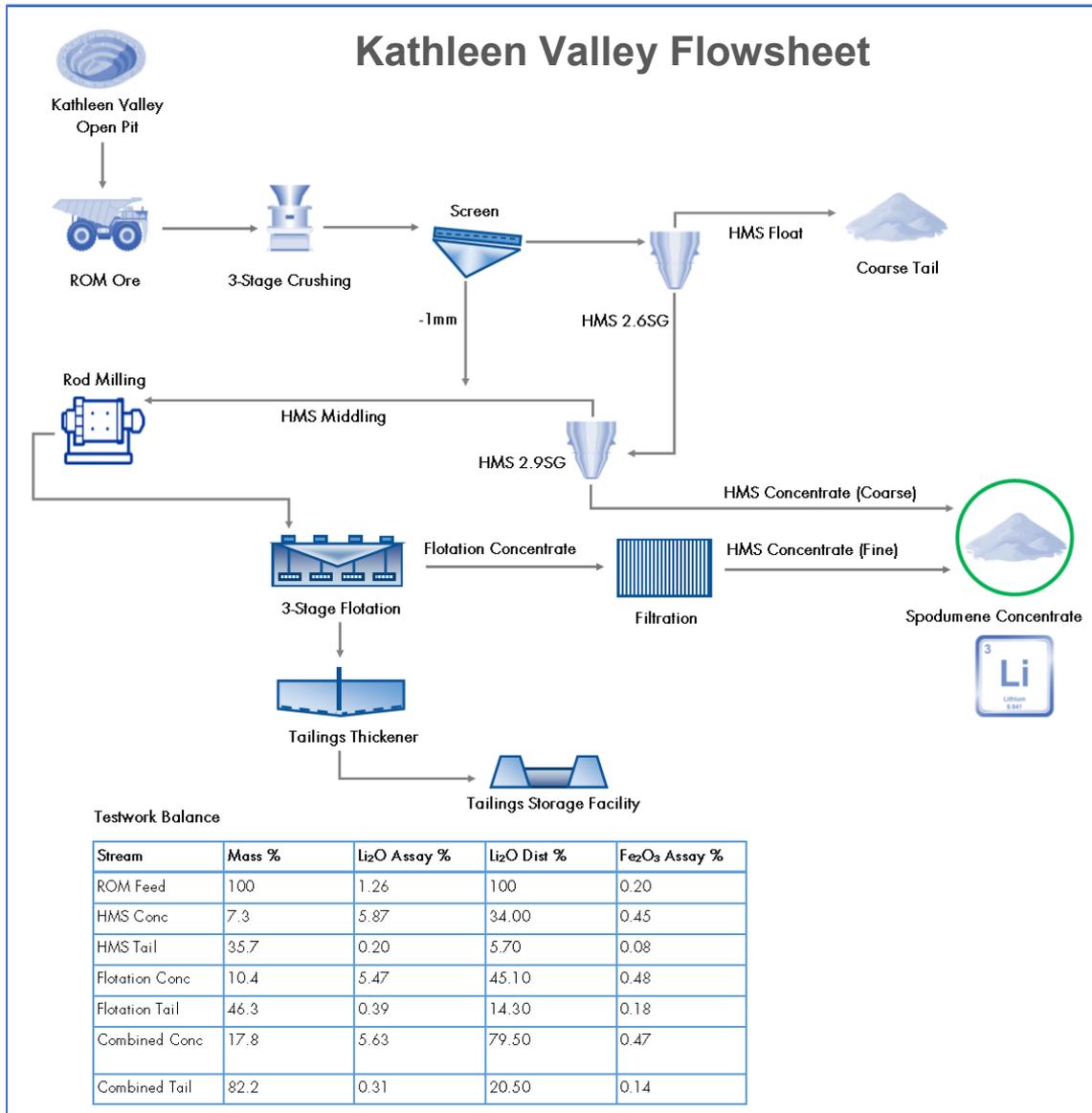


Figure 4: Kathleen Valley metallurgical test work flowsheet and results.

While a tantalum concentrate was produced during the metallurgical test work programme, the low mass recovery precluded the implementation of subsequent upgrade process stages. However, the results support the inclusion of a tantalum concentrate recovery stage in the upcoming large-scale test work programme (see below).

NEXT STEPS

Further feasibility studies, including a Pre-Feasibility Study and/or a Definitive Feasibility Study may now commence in conjunction with advancing several opportunities to enhance financial metrics and to de-risk key elements of the Project.

Metallurgy Optimisation

The encouraging preliminary metallurgical test work results indicate that a saleable spodumene concentrate, similar to those from existing lithium mining operations in Western Australia, can be produced at Kathleen Valley.

A comprehensive test work programme is proposed both to optimise the preliminary metallurgical results and to provide adequate sample volumes to obtain meaningful tantalum recoveries. A 33-hole/2,896m

PQ diamond core drilling programme was completed in late 2018 and will provide ~4 tonnes of material for the metallurgical test work, which is scheduled to be completed in the first half of 2019.

The proposed test work programme consists of an optimisation programme for each unit process with an associated cascading bulk sample programme to produce sufficient spodumene concentrate samples for potential off-take partners, as well as confirming the potential for tantalum concentrate recovery.

Growth Potential – Mineral Resource

The current Mineral Resource remains open both along strike and down-dip, and optimisation work indicates that the conceptual open pits are largely constrained by the limit of drill data.

A resource extension (exploration) target* of 8.5 – 16Mt @ 1.2 – 1.5% Li₂O has been defined based on testing immediate extensions of the current Mineral Resource estimate (see Figure 5).

(*The potential grade and tonnage of the exploration target referred to above is conceptual in nature and there has been insufficient exploration to estimate an expanded Mineral Resource. It is uncertain if further exploration will result in the estimation of an expanded Mineral Resource.)

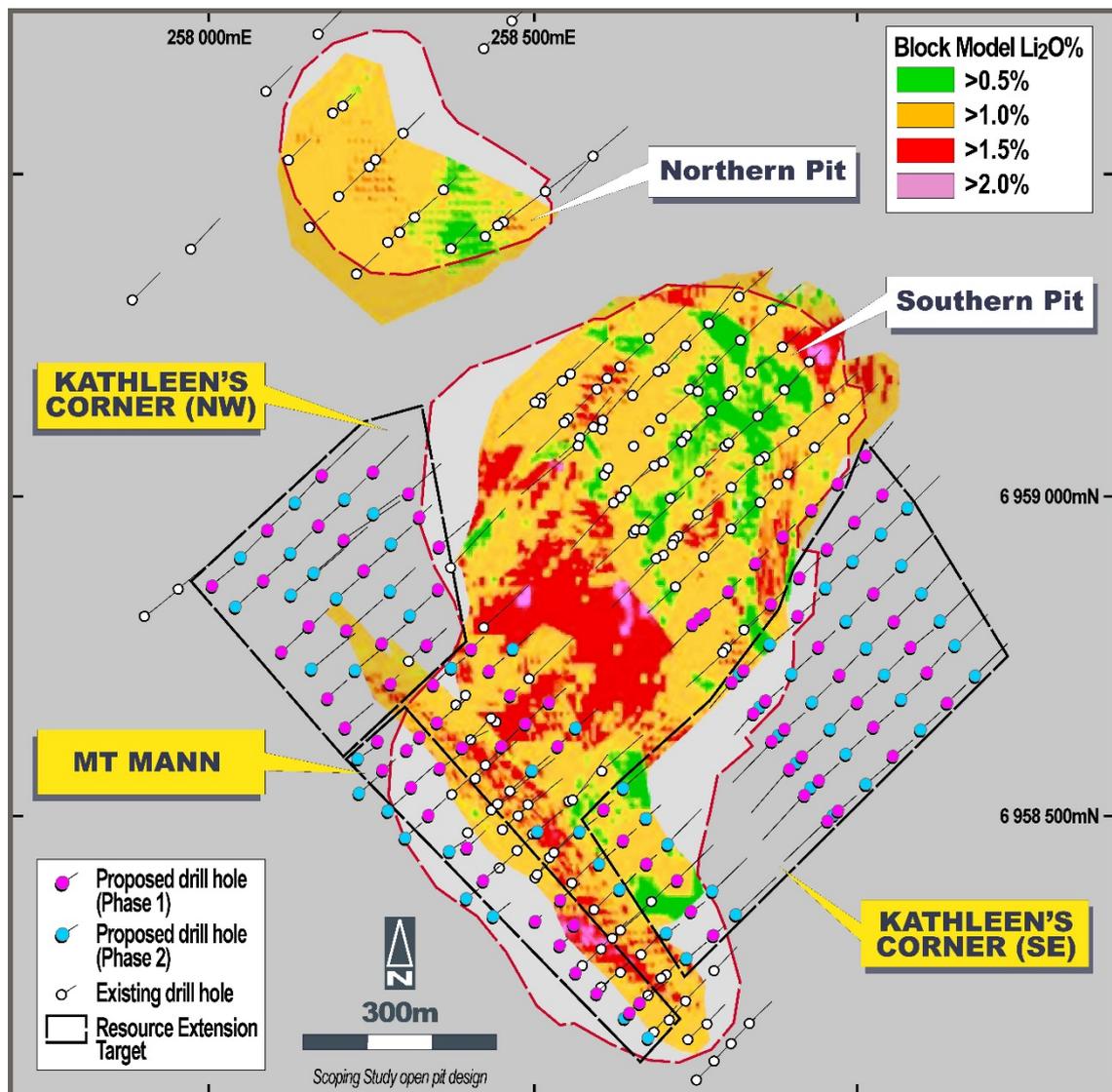


Figure 5: Kathleen Valley – Resource extension targets and proposed drilling.

Results from the planned drilling will be used to prepare an updated Mineral Resource estimate which will then be incorporated into ongoing feasibility studies. An increased Mineral Resource may substantially add to the current 8 - 9 year mine life indicated by the Scoping Study.

The drilling program is scheduled to commence in early February 2019 and will comprise 90 -100 RC holes for a total of ~16,000m.

Non-process Infrastructure

The Project is located in close proximity to a sealed highway and grid power in the well-regulated and established mining jurisdiction of the NE Goldfields of Western Australia. The Scoping Study identified a number of potential water supply options within 10km of the proposed mine, including the development of a borefield. It is proposed that a water exploration and test bore drilling programme be initiated during the first half of 2019 to gauge aquifer supply potential.

Environmental Assessment and Community

Based on the desktop analysis and field work to date, a programme of environmental baseline studies will be initiated in early 2019.

The mining operations will overlap with existing land users including the Yakabindie Pastoral Lease and the Native Title holders. The Company has engaged with both parties to facilitate future operations.

Risk Assessment and Mitigation

Liontown has identified a number of risks that will be addressed as part of future studies. These include:

- Refining the inputs used in the scoping studies;
- Determining the tantalum concentrate grade and recovery;
- Achieving a 6% Li₂O concentrate grade;
- Confirming competent ground conditions;
- Receiving statutory clearances to comply with Heritage conditions;
- Potential cost escalations associated with capital and operating cost estimates; and
- Possible falling prices related to increased market supply.

Given the grade and geology of the Kathleen Valley Lithium Deposit and its location in a well-regulated and established mining jurisdiction, the Company is confident it can satisfactorily address the potential risks.

2. Buldania Lithium Project, WA (Liontown: 100% of Lithium rights)

The Buldania Project is located in the Eastern Goldfields, approximately 600km east of Perth and 200km north of the regional port of Esperance (Figure 6). Historical mapping and exploration delineated a large spodumene-bearing pegmatite swarm not previously assessed for lithium or associated rare metals.

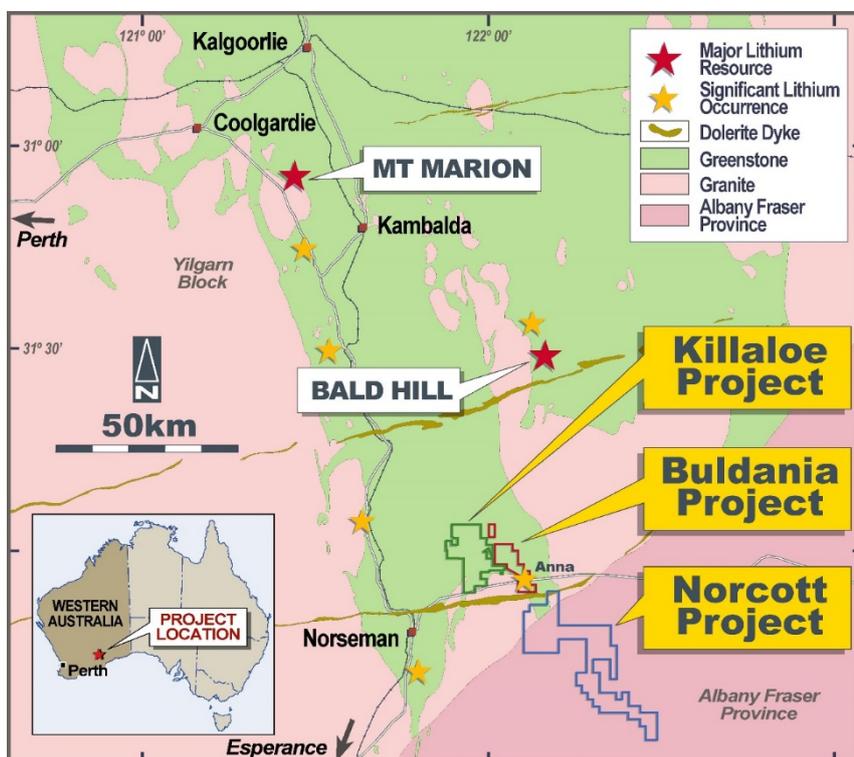


Figure 6: Location and Geology Plan for Buldania, Killaloe and Norcott Projects

A second phase of drilling was completed during the quarter to follow-up the significant lithium mineralisation (up to 58m @ 1.2% Li₂O from 39m) intersected earlier in 2018 at the Anna prospect.

The second phase of drilling comprised 60 Reverse Circulation (RC holes) (BDRC0037-0096) for 7,670m and three HQ diamond core holes (BDDD0001-0003) for 548.5m.

Since acquiring the Buldania Project in late 2017, Liontown has drilled a total of 99 holes for 11,557.5m.

Assays have been received for all holes with better results listed in the highlights section and shown on **Figure 7**. The latest assays have extended mineralisation at the main Anna pegmatite to the south-east for a continuous strike length of at least 1.3km with the system remaining open.

While the north-west part of the Anna pegmatite is well defined by 50 x 50m drilling, the south-eastern half of the deposit is only partially delineated with 1-2 holes drilled on lines 100m apart (**Figure 7**).

Given the larger than expected extent of the Anna mineralisation, Liontown has elected to undertake additional drilling before commissioning a maiden, independent JORC-compliant Mineral Resource estimate. An 8,000-10,000m RC drilling program will be completed in the first half of 2019 to ensure adequate data for a Mineral Resource estimate.

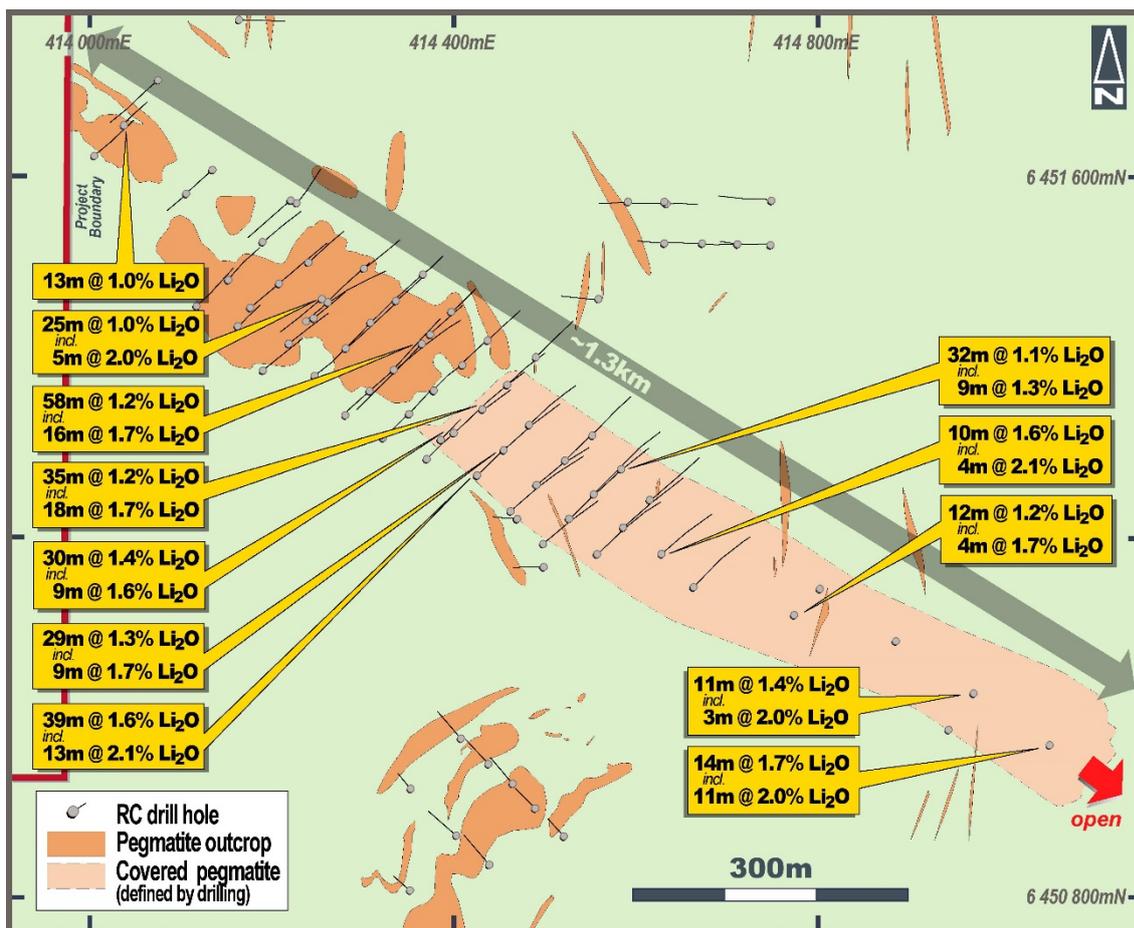


Figure 7: Anna Prospect – Drill hole plan showing better intersections.

During the Quarter, Liontown also reached agreement with Avoca Resources Pty Ltd (“Avoca”), a wholly-owned subsidiary of Westgold Resources Limited (ASX: WGX), to incorporate granted Mining Lease M63/647 into the existing Buldania Lithium Rights Agreement (BLRA).

The BLRA originally comprised two tenements (E63/856 and P63/1977) and Liontown has issued 10 million Liontown shares to Avoca to incorporate M63/647 into the existing Agreement. All other terms of the BLRA remain the same.

Mapping and rock chip sampling by Avoca on M63/647 and by Liontown on tenure immediately adjacent have defined a number of outcropping, spodumene-bearing pegmatites (**Figure 8**). Individual pegmatites are up to 800m long and 20m wide with assays of up to 3.0% Li₂O and 200ppm Ta₂O₅. In addition, soil sampling has defined a large, high-order (up to 500ppm Li) lithium-in-soil anomaly over more than 2km strike.

The outcropping pegmatites are coincident with the southern part of the soil anomaly, indicating potential for the discovery of further spodumene-mineralised zones.

There has been no drilling into the newly discovered pegmatites, which are located between 5km and 8km north-west of the Anna pegmatite. Further geochemical sampling and geological mapping will be undertaken in the coming Quarter to define targets for drill testing.

3. Killaloe Project, WA (Liontown 80%-100%)

The ~163km² Killaloe Project is located immediately north-west of the Buldania Project and covers the strike extension of the same lithium-prospective stratigraphy (Figure 6). Liontown has acquired the rights to all metals.

During the Quarter, Liontown finalised the acquisition of the Killaloe Project from Matsa Resources Limited (ASX: MAT).

Subsequent exploration has identified a number of spodumene-bearing pegmatites on the Killaloe Project tenure (see Figure 8 – E63/1660) which adjoin the newly discovered pegmatite area at Buldania described above.

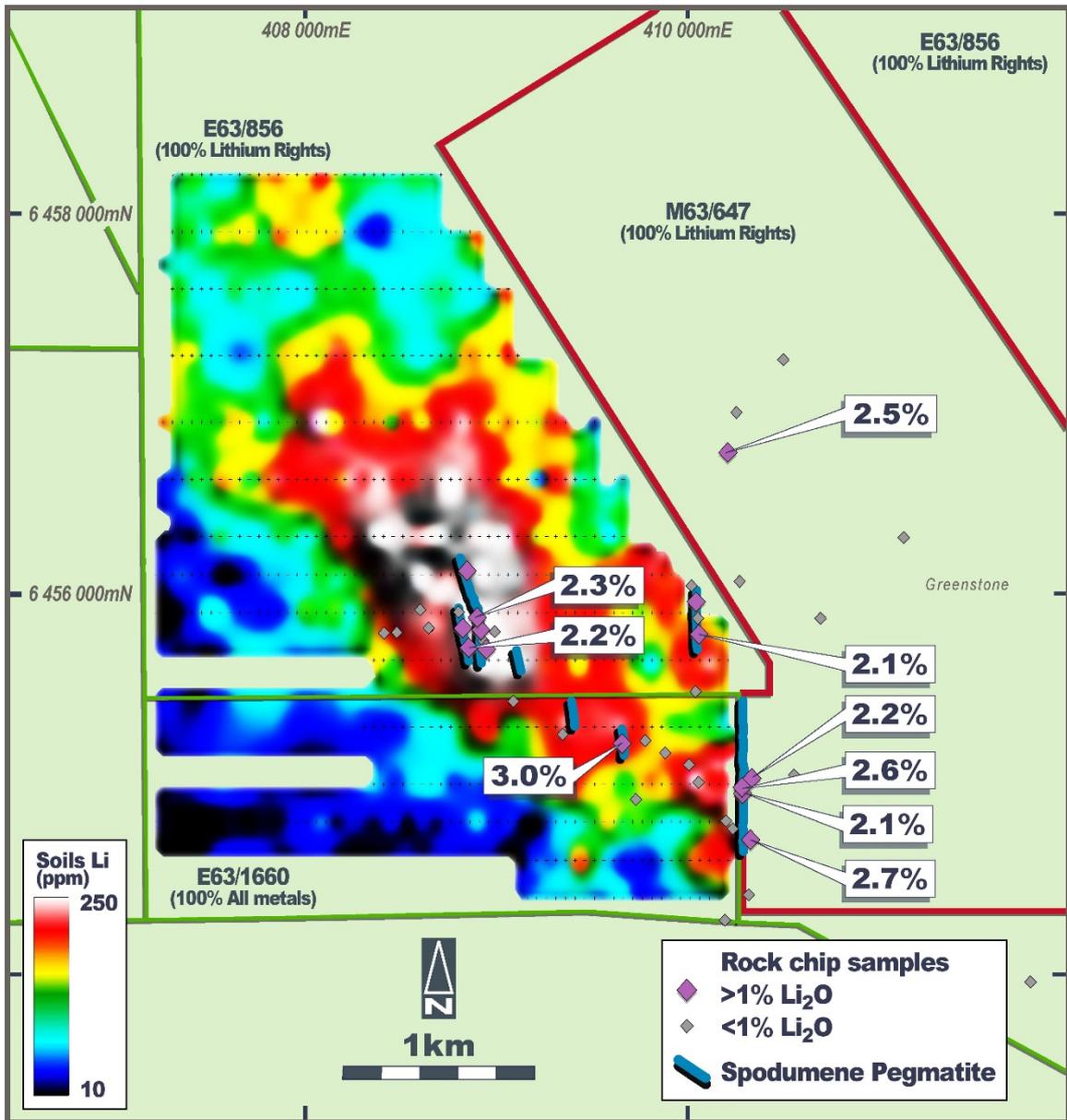


Figure 8: Buldania and Killaloe Projects – New pegmatite area showing rock chip and soil geochemistry.

Follow-up exploration at Killaloe will include further geological mapping and geochemical sampling which will be undertaken as part of a larger regional exploration program incorporating the Buldania and Norcott Projects.

4. Norcott Project, WA (Liontown: right to 100%)

The Norcott Project is located immediately south-east of the Buldania Project and covers the strike extension of the same lithium-prospective stratigraphy (Figure 6). Liontown has acquired two Exploration Licences, including the rights to all metals, covering a total area of 370km².

No work was completed during the Quarter.

Further work will be designed and completed as part of a larger regional exploration program also incorporating the nearby Buldania and Killaloe Projects.

5. Toolebuc Vanadium Project, Qld (Liontown: 100%)

The Toolebuc Vanadium Project is located in NW Queensland, approximately 440km west of Townsville (Figure 9), in a region which hosts a number of large vanadium resources defined as part of previous exploration for hydrocarbons in oil shale. Liontown has five tenements which adjoin existing resources and the Project represents a low-cost entry into vanadium, a commodity that is part of the battery metal suite, critical to the future of energy storage.

Liontown has previously announced a maiden Inferred Mineral Resource estimate of approximately 83.7Mt @ 0.30% V₂O₅ for the Cambridge deposit, located within the Toolebuc Project (Figure 9).

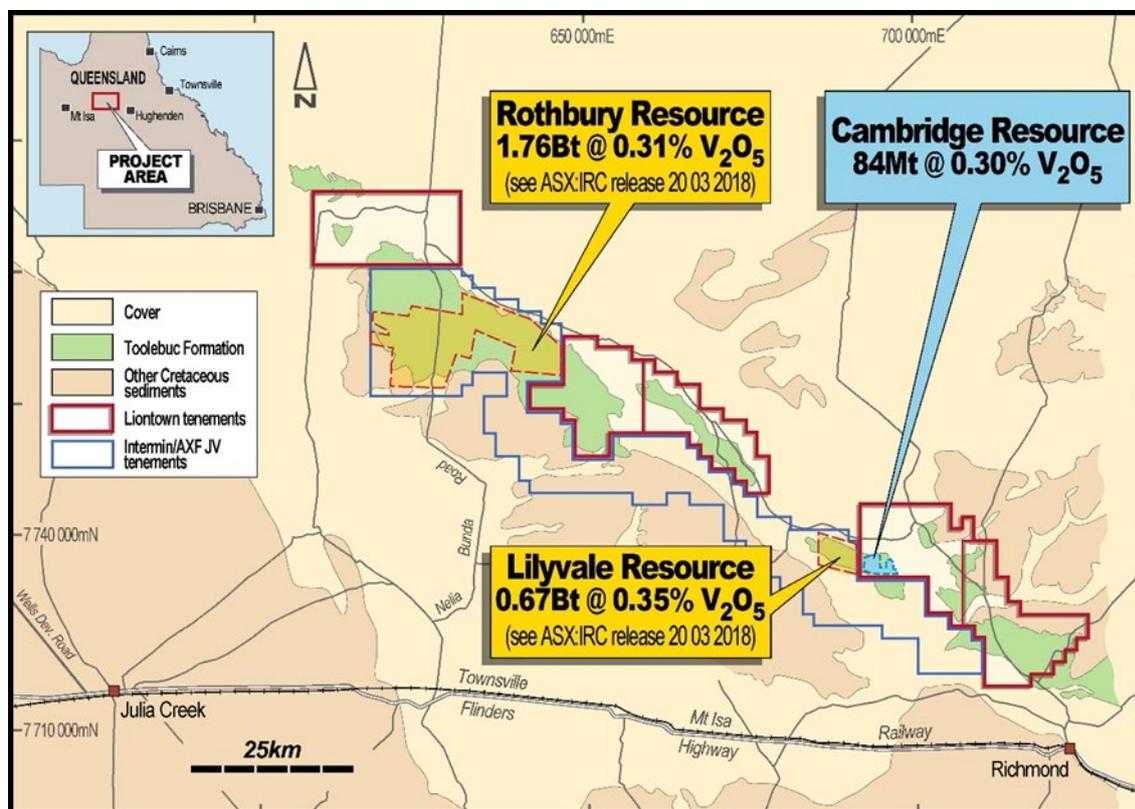


Figure 9: Toolebuc Vanadium Project – Location, regional geology and tenure showing mineral resources held by Intermin (in yellow) and Liontown’s Cambridge deposit (in blue).

The Inferred Mineral Resource at Cambridge is open in all directions and Liontown has defined an Exploration Target area based on the continuity of the mineralisation indicated by resource drilling on the adjacent Lilyvale deposit and the extent of outcropping Toolebuc Formation shown on Queensland Government geological maps.

In addition to the Cambridge Mineral Resource, it is estimated that there is an Exploration Target of 100Mt to 110Mt at an average grade of 0.28% to 0.32% V₂O₅ located immediately adjacent.

(The potential quantity and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration within these areas to estimate a Mineral Resource and it is uncertain if further exploration will result in the definition of Mineral Resources within these areas.)

Future Exploration and Evaluation

Further drilling is planned to extend the current resource area, collect samples for metallurgical test work and test other targets within project area. This work is conditional on finalising access negotiations with local land owners.

7. Tenement schedules and expenditures

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of tenements. During the Quarter the Company spent \$1,225,963 on exploration and evaluation activities (YTD: \$2,295,262) and \$310,301 on administration costs (YTD: \$650,690).

8. Corporate

At the end of the Quarter, LioneTown's cash balance was \$976,283.



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30th January 2019

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The Information in this report that relates to the Scoping Study for the Kathleen Valley Project is extracted from the ASX announcement "Kathleen Valley Scoping Study confirms potential for robust new WA lithium mine development" released on the 29th January 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Metallurgy for the Kathleen Valley Project is extracted from the ASX announcement "Highly encouraging results from initial metallurgical test work at the Kathleen Valley Lithium-Tantalum Project, WA" released on the 12th November 2018 which is available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Maiden 21 million tonne Lithium-Tantalum Mineral Resource sets strong growth foundation for LioneTown at Kathleen Valley" released on the 4th September 2018 which is available on www.ltresources.com.au.

The Information in this report that relates to Exploration Targets for the Kathleen Valley Project is extracted from the ASX announcement "Major resource expansion drilling program commences at Kathleen Valley Lithium Project, WA" released on the 29th January 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Buldania Project is extracted from the ASX announcements entitled "More strong assays confirm significant lithium discovery at Buldania Project in WA", "Second significant lithium discovery in WA with new, thick high-grade hits at Buldania", "Outstanding new drilling results continue to expand lithium mineralisation at Buldania", "LioneTown further expands prospective lithium footprint at Buldania in WA's South-Eastern Goldfields" "Latest assays confirm lithium mineralisation over >1.3km strike length at the Buldania Lithium Project in WA" and "LioneTown maintains strong momentum at its two key hard-rock lithium projects in Western Australia" released on the 26th March 2018, 19th September 2018, 1st November 2018, 13th November 2018, 20th November 2018 and 12th December 2018 respectively which are available on www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Killaloe Project is extracted from the ASX announcement "LioneTown maintains strong momentum at its two key hard-rock lithium projects in Western Australia" released on the 12th December 2018 which is available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Toolebuc Vanadium Project is extracted from the ASX announcement "LioneTown Announces Maiden 84Mt Vanadium Resource" released on the 30th July 2018 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

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 December 2018:

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

Country	Project	Tenement No.	Registered Holder	Nature of interests	
Australia	Kathleen Valley	M36/264	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - gold and nickel rights retained by other parties	
		M36/265			
		M36/459			
		M36/460			
			E36/879	Liontown Resources Limited	100% - all metal rights
	Buldanian	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement	
		P63/1977			
		M63/647			
	Norcott	E63/1824	Galahad Resources Limited	0% - application. Right to 100% of all metal rights secured by Agreement	
		E63/1863	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%	
	Killaloe	E63/1018	80% Killaloe Minerals Pty Ltd (wholly-owned subsidiary of Matsa Resources Limited)/20% Cullen Resources Limited	Liontown has secured rights to 100% of Matsa's interest via a Sales Agreement. Transfer of tenure pending.	
		E63/1655	Killaloe Minerals Pty Ltd (wholly-owned subsidiary of Matsa Resources Limited)		
		E63/1660			
		E63/1661			
		E63/1662			
		E63/1713			
		M63/0177			
		P63/2152	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	0% - application	
	Norseman Regional	P63/2127	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	0% - applications	
		P63/2128			
		P63/2129			
	Toolebuc	EPM26490	Liontown Resources Limited	100%	
		EPM26491			
EPM26492					
EPM26494					
EPM26495					
Moora	E70/5217	ERL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	0% - Application		

APPENDIX 1 (cont.)

2. Listing of tenements held in Tanzania (directly or beneficially):

Country	Project	Tenement No.	Registered Holder	Nature of interests
Tanzania	Jubilee Reef	PL8125/2012	Liontown Resources (Tanzania) Limited	Surrender documentation lodged – awaiting final government processing
		PL8304/2012		
		PL9711/2014	Currie Rose Resources (T) Limited	
		PL9973/2014	Liontown Resources (Tanzania) Limited	
		PL10222/2014	Currie Rose Resources (T) Limited	
		PL10599/2015	Liontown Resources (Tanzania) Limited	
		PL10894/2016		
		PL10907/2016		
		PL11134/2017		
		PL12356/2017	Chela Resources Limited	
PMLs 28341,28342, 28344, 28345, 28347, 28350, 28352, 28354, 28356, 28358, 28360, 28361, 28363, 28365, 28366				

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

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Buldanina	M63/647	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
	Killaloe	P63/2152	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	0% - Application

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

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Killaloe	E63/1199	80% Killaloe Minerals Pty Ltd (wholly-owned subsidiary of Matsa Resources Limited)/20% Cullen Resources Limited	0%
		E63/1646	Killaloe Minerals Pty Ltd (wholly-owned subsidiary of Matsa Resources Limited)	

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

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Killaloe	P63/2152	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	0% - Application

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 2018

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	(1,225,963)	(2,295,262)
(b) development	-	-
(c) production	-	-
(d) staff costs	(69,900)	(177,145)
(e) administration and corporate costs	(240,401)	(473,545)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8,121	21,017
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,528,143)	(2,924,935)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4,799)	(6,008)
(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	-	1,090,258
(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	(4,799)	1,084,250

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
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	(13,677)	(35,506)
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 Other – Security Bond	-	(4,400)
3.10 Net cash from / (used in) financing activities	(13,677)	(39,906)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,522,808	2,856,744
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,528,143)	(2,924,935)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4,799)	1,084,250
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(13,677)	(39,906)
4.5 Effect of movement in exchange rates on cash held	94	130
4.6 Cash and cash equivalents at end of period	976,283	976,283

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	976,283	1,522,808
5.2 Call deposits	-	1,000,000
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	976,283	2,522,808

Notes to cash flow

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 | 139,544 |
| 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 contractor fees and salary and superannuation paid to the Managing Director and related parties (\$84,687), Directors fees, PAYG and superannuation for non-executive directors for the current quarter (\$54,857).

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 | 22,000 |
| 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 administration personnel.

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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.		

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9. Estimated cash outflows for next quarter	\$A
9.1 Exploration and evaluation	2,750,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	150,000
9.5 Administration and corporate costs	440,000
9.6 Other (plant, equipment and motor vehicles)	90,000
9.7 Total estimated cash outflows	3,430,000

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	WA Killaloe P63/1199	Relinquished	80%	0%
		P63/1646	Relinquished	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	WA Buldania M36/647	100% of rights to lithium and related metals	0%	100%
		Killaloe P63/2152	Application	0%	0%

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:

Date: 30 January 2019

Company Secretary

Print name: Kym Verheyen

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.