

86% increase in Kathleen Valley resource as further drilling success paves way for next upgrade. Initial results pending from new WA nickel project.

HIGHLIGHTS

KATHLEEN VALLEY LITHIUM PROJECT (Western Australia: 100%)

- New Measured, Indicated and Inferred Mineral Resource Estimate (MRE) completed for the Kathleen Valley Lithium-Tantalum deposit:
 - **139Mt @ 1.3% Li₂O and 140ppm Ta₂O₅**
 - Containing 1.8Mt of Li₂O or 4.5Mt of lithium carbonate equivalent (LCE) and 43Mlbs of Ta₂O₅.
- The updated MRE represents an 86% increase from the MRE of 74.9Mt @ 1.3% Li₂O and 140ppm Ta₂O₅ released in July 2019, which was the basis for the positive PFS reported last Quarter.
- This interim MRE update is a precursor to a new MRE scheduled for completion in late April/early May which will underpin further feasibility studies.
- Resource definition drilling completed with results received subsequent to the latest MRE including:
 - **43m @ 3.1% Li₂O from 253m (KVRC0287) including 21m @ 3.8% Li₂O from 272m**
 - **16m @ 2.6% Li₂O from 308m (KVRC0287) including 13m @ 3.1% Li₂O from 308m**
 - **30.1m @ 2.8% Li₂O from 322m (KVDD0071) including 20.2m @ 3.8% Li₂O from 327m**
 - **19.9m @ 2.6% Li₂O from 393.1m (KVDD0072) including 12.9m @ 3.6% Li₂O from 393.8m**
 - **97m @ 1.9% Li₂O from 323m (KVRC0304), including 36m @ 3.6% Li₂O from 324m**
- Mineralisation defined over a strike length of 1.7km and to a vertical depth of 600m with the system remaining open to the north-west and down-dip.
- Metallurgical test work and mining studies are in progress designed to optimise and improve the planned development configuration of the Project compared with that outlined in the December 2019 PFS.

MOORA NICKEL-COPPER-PGE PROJECT (Western Australia: 100%)

- Initial phase of exploration completed with assay results pending.
- Project located in same emerging Ni-Cu-PGE province as the recent high-grade Julimar discovery (Chalice Gold Mines).
- Limited historical exploration has defined strong Ni₊Cu₊PGE₊Au anomalism spatially associated with mafic-ultramafic outcrops.
- Regional government geophysical surveys indicate that the Project is underlain by a number of large, mafic-ultramafic intrusions located in a structural setting similar to those which host magmatic nickel sulphide deposits elsewhere in the world.



Drilling at Kathleen Valley

INVESTMENT HIGHLIGHTS

- World class lithium-tantalum deposit defined at 100%-owned Kathleen Valley Project.
- Development momentum at Kathleen Valley being maintained with metallurgical test work and mining studies ongoing.



Chairman Tim Goyder and Managing Director David Richards at Kathleen Valley

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PROJECTS

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

The Kathleen Valley Project is located in Western Australia, ~680km north-east of Perth and ~350km north-northwest of Kalgoorlie, within the Eastern Goldfields of the Archaean Yilgarn Craton (**Figure 1**). Liontown commenced work at Kathleen Valley in 2017 and has since defined a world-class Mineral Resource Estimate **139Mt @ 1.3% Li₂O and 140ppm Ta₂O₅**.

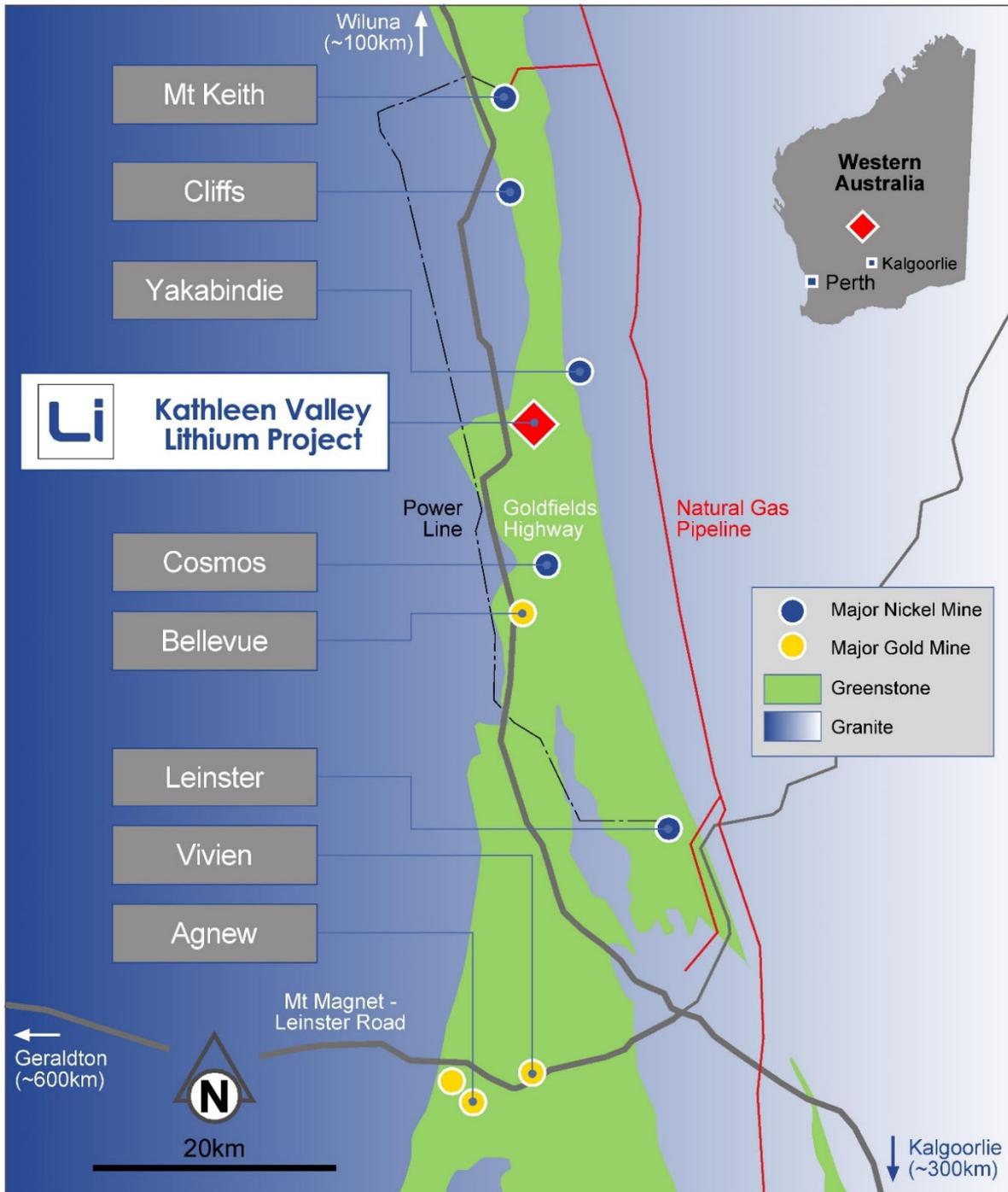


Figure 1: Kathleen Valley Lithium Project – Location and Geology Plan.

The positive Pre-Feasibility Study (PFS) reported last Quarter identified a number of opportunities to improve the financial metrics for the Kathleen Valley Project, including expanding the high-grade mineralisation that could be accessed earlier in the life of a future mining and processing operation.

Consequently, drilling designed to confirm the internal continuity of the high-grade mineralisation and test for extensions of the mineralised system continued during the Quarter, with the results confirming the potential for the definition of a significant high-grade resource.

Due to the receipt of a number of thick, high-grade drill intersections which indicated that the original exploration target would be exceeded, LioneTown elected to prepare an interim MRE update before the proposed drilling program was completed.

Resource definition and extension drilling continued after the interim MRE was released with additional thick, high-grade intersections reported.

All planned drilling has been completed with the relevant data forwarded to independent resource consultants, Optiro Pty Ltd ("Optiro"), which is preparing a further MRE update for release in the June Quarter.

INTERIM MINERAL RESOURCE ESTIMATE

The interim Mineral Resource Estimate, which was prepared by Optiro, comprises 139Mt at an average grade of 1.3% Li₂O and 140ppm Ta₂O₅.

Details of the MRE are provided in Tables 1 and 2 below:

Table 1: Kathleen Valley Mineral Resource Estimate as at February 2020

| Resource category | Million tonnes | Li ₂ O % | Ta ₂ O ₅ ppm |
|-------------------|----------------|---------------------|------------------------------------|
| Measured | 19 | 1.3 | 150 |
| Indicated | 61 | 1.3 | 140 |
| Inferred | 59 | 1.3 | 130 |
| Total | 139 | 1.3 | 140 |

Notes: • Reported above a Li₂O cut-off grade of 0.55%.
• Tonnages and grades have been rounded to reflect the relative precision of the estimate.

Table 2: Mineral Resource Estimate reported by Li₂O % cut-off grades

| Cut-off Li ₂ O % | Million tonnes | Li ₂ O % | Ta ₂ O ₅ ppm |
|-----------------------------|----------------|---------------------|------------------------------------|
| 0.3 | 139 | 1.33 | 139 |
| 0.4 | 139 | 1.33 | 139 |
| 0.5 | 139 | 1.33 | 139 |
| 0.55 | 139 | 1.33 | 140 |
| 0.6 | 138 | 1.33 | 140 |
| 0.7 | 136 | 1.34 | 140 |
| 0.8 | 133 | 1.36 | 141 |
| 0.9 | 127 | 1.38 | 141 |
| 1.0 | 117 | 1.42 | 142 |

The MRE is reported and classified in accordance with the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2012).

A cut-off grade of 0.55% Li₂O was selected for resource reporting to reflect a balance between the potential open pit and underground expected cut-off grades.

The decision to prepare an interim MRE update followed a review of data from the ongoing drilling programme which indicated that a previously announced resource extension Exploration Target of 25-50Mt at 1.2-1.5% Li₂O would be materially exceeded. This target was in addition to July 2019 MRE and indicated a potential increase of 33-66% in the deposit size (see ASX Announcement dated 5th February 2020 for full explanation assumptions used to estimate target ranges).

Iron Content

LioneTown does not report iron in the resource estimate as it does not routinely assay all drill samples for iron due to:

- Contamination from abrasion and wear of drill bits and rods during Reverse Circulation (RC) drilling operations; and
- Contamination during sample preparation from abrasion and wear of crushing and milling equipment.

Analysis of barren, silica-only material inserted as part of QA/QC protocols indicates that 0.1-1.0% Fe₂O₃ is added to the sample during sample preparation.

Mineralised pegmatite intervals from 55 diamond core holes have returned an average iron value of 0.6%. Given the contamination from the sample preparation equipment prior to assaying, this indicates that the average iron content of the mineralised pegmatite is <0.5%.

Updated Metallurgical Factors

A total of 81 composited drill core samples were collected from across the deposit for the December 2019 Pre-Feasibility Study (PFS) metallurgical test work programme. These samples include a range of grades and depths.

The metallurgical test work process consisted of three-stage comminution including high-pressure grinding rolls (HPGR), Dense Medium Separation (DMS) followed by flotation. This is a similar circuit to that used in several hard rock lithium mines currently operating in Western Australia.

The feed composite used in the PFS test work consisted of diamond drill core and was compiled based on the mine plan for the study. The feed composite was deliberately diluted with 10% iron-rich gabbro which hosts the mineralised pegmatites.

The PFS test work did not include any iron removal ahead of DMS separation and only low intensity magnetic separation for iron removal ahead of flotation. A combined spodumene concentrate with a grade of 6.1% Li₂O containing 1.42% Fe₂O₃ was produced from the PFS composite sample, which is within Liontown's understanding of chemical grade product requirements and supports the ability to produce saleable concentrate from the Kathleen Valley resource.

The results of the PFS test work are preliminary and further work is in progress to optimise recovery and minimise any deleterious elements, including iron, in the lithium concentrate.

In addition, the Company is continuing to work on the optimisation of the overall flowsheet via detailed research and development (R&D) test work programmes focussed on various processing options including developing a flow sheet for tantalum concentrate recovery.

RESOURCE EXPANSION DRILLING

Resource definition drilling was completed during the Quarter and all assays have been received.

The latest drilling program, which began in August 2019, was designed to test for extensions for high-grade mineralisation and provide the in-fill data required to prepare an updated MRE, which largely comprises Measured and Indicated resources that may be converted to Ore Reserves.

Results from the completed drilling program confirmed the continuity of mineralisation within the system which has been defined over a strike length of 1.7km and to a vertical depth of 600m and which remains open to the north-west and down-dip (**Figure 2**).

Since August 2019, 52 new RC holes have been drilled, 11 previous RC holes have been extended and 48 new diamond core holes have been drilled for a total of 39,102m.

The total drilling completed by Liontown at Kathleen Valley since work commenced in 2017 comprises 445 holes for 86,737m, including 355 RC holes for 63,161m and 90 diamond core holes for 23,576m. This total includes 39 RC holes which were extended following the receipt of results along strike that indicated the potential for deeper mineralisation.

All data has been forwarded to Optiro, which is preparing an updated MRE scheduled for completion by late April/early May.

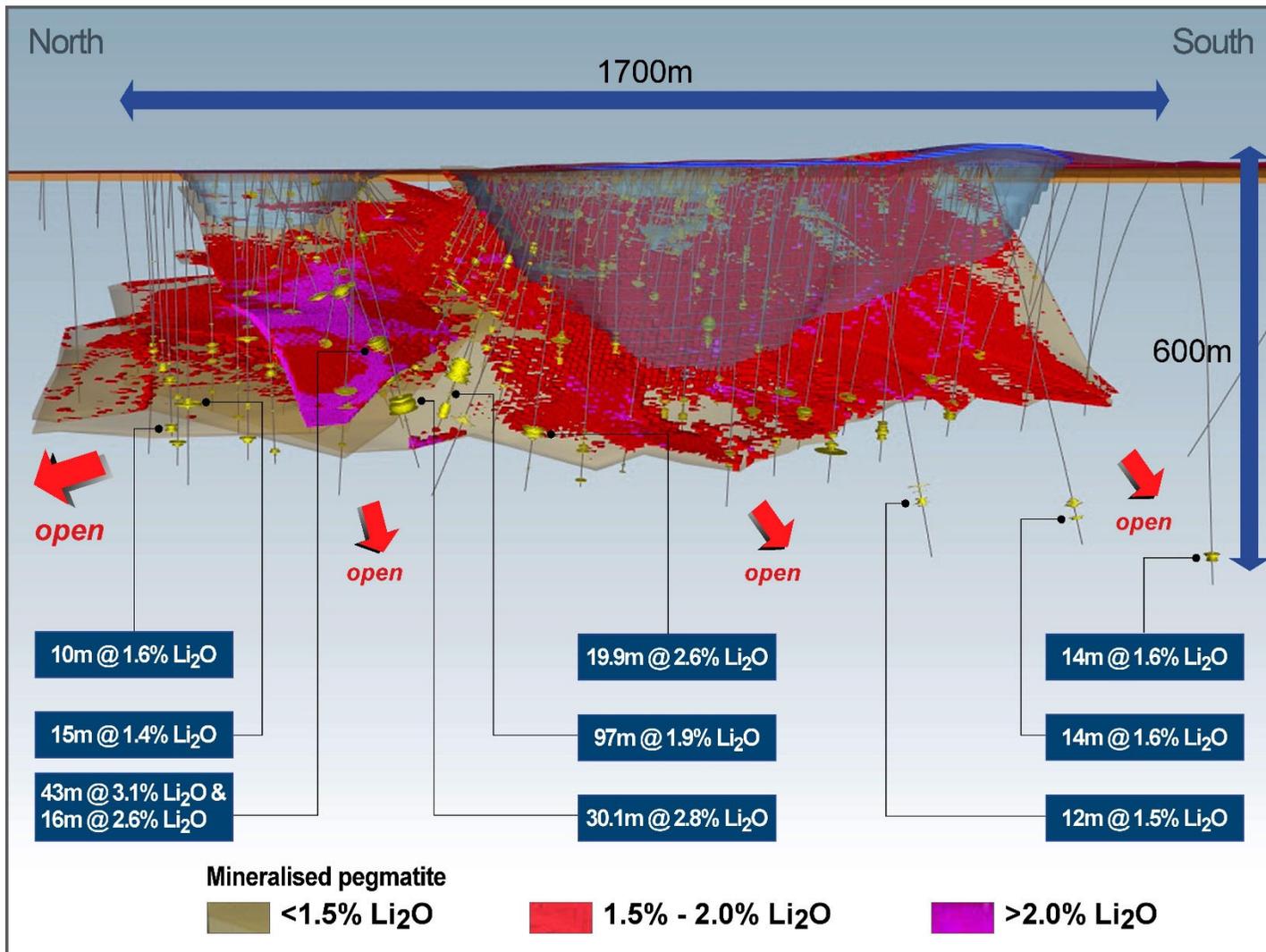


Figure 2: Kathleen Valley – 3D image showing high grade (>1.5% Li₂O) blocks within block model for interim MRE update, better drill intersections for the Quarter and results recorded at limits of current drilling.

NEXT STEPS

The Company believes that the substantial increase in the Kathleen Valley MRE has highlighted a number of strategic opportunities to optimise and improve the planned development configuration of the Project compared with that outlined in the PFS reported last Quarter.

Drilling since August 2019 has confirmed significant widths of high-grade mineralisation (>1.5% Li₂O), leading Liantown to investigate the possible underground extraction of portions of the resource that may enable higher grade ore to be fed to the planned processing plant – thereby potentially reducing dilution whilst improving recovery, product quality and operating margins.

A sighter test work program has also been initiated, focused on the relationships between lithium grade and recoveries and, importantly, the recovery of tantalum, which will enable a much more detailed R&D test work program to be pursued during 2020. This will ultimately lead to process flowsheet updates and commensurate changes to the site layout, capital and operating cost estimates.

A significant focus of the programs to be undertaken this year is on plant operability and the ability to produce a premium-quality product that can be marketed accordingly.

In light of external challenges associated with the COVID-19 pandemic together with the potential improvements and enhancements to the Project, Liantown has decided to postpone the Definitive Feasibility Study (DFS) and will instead produce an upgraded PFS that is closely aligned to the Project's updated MRE.

The upgraded PFS will build on the 2019 PFS and incorporate:

- The updated MRE due in late April/early May;
- Updated lithium R&D test work;
- Tantalum R&D test work;
- Updated process flowsheets based on the test work;
- Revised mine designs that may include both open pit and underground mine plans;
- A revised site layout; and
- Revised capital and operating cost estimates.

The upgraded PFS (±25% accuracy) will provide a solid and much improved basis for a DFS (±15% accuracy), which is now planned to commence in 2021.

Based on the current lithium market conditions, the Company's financial position and anticipated COVID-19 constraints over the coming months, Liantown believes that an upgraded PFS will give its shareholders the best value for ongoing expenditure.

2. Buldania Lithium Project, WA (Liantown: 100%)

The Buldania Project is located in the Eastern Goldfields, approximately 600km east of Perth and 200km north of the regional port of Esperance. Historical mapping and exploration delineated a large spodumene-bearing pegmatite swarm not previously assessed for lithium or associated rare metals. Drilling by Liantown has now defined a maiden Mineral Resource Estimate of ~15Mt @ 1% Li₂O at the Anna pegmatite.

No activities were undertaken during the Quarter.

The Company is reviewing available data to determine the best way to advance the Project in the current environment.

3. Moora Nickel-Copper-PGE Project, WA (Liantown: 100%)

The Moora Project, which is located in the south-west of Western Australia approximately 150km north-east of Perth (Figure 3), comprises wholly-owned tenure applied for in 2018 and 2019 as part of Liantown's generative studies to acquire areas considered highly prospective for battery-related metals. Historical exploration has defined strong Ni-Cu-PGE geochemical anomalism coincident with geophysical features interpreted to be indicative of mafic-ultramafic intrusions similar to others elsewhere in the world that host economic Ni-Cu-PGE mineralisation.

The coincidence of large mafic/ultramafic intrusions located close to a craton margin is analogous to magmatic Ni-Cu-PGE occurrences elsewhere in the world including the Nova, Savannah and Nebo-Babel deposits in Western Australia.

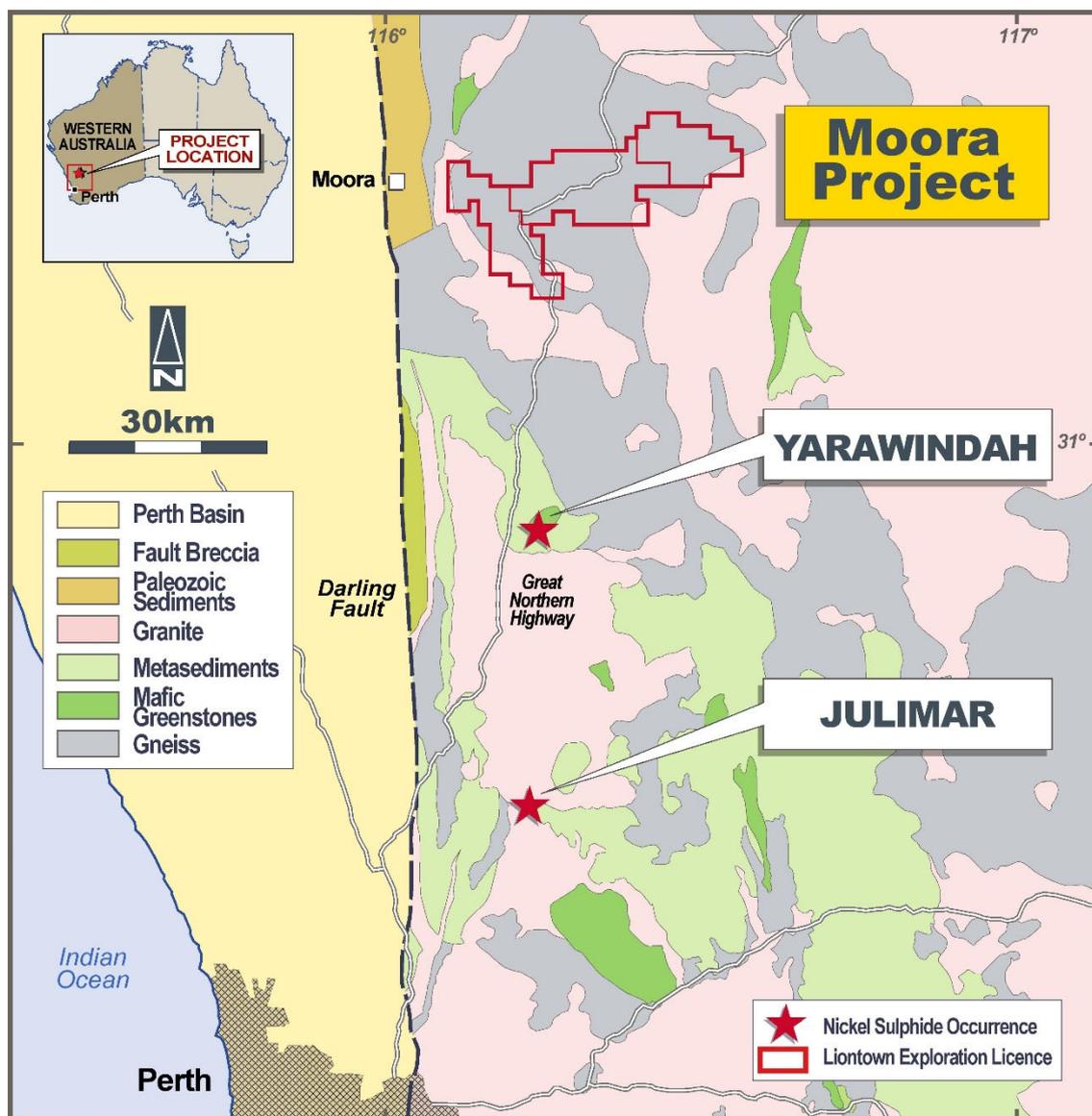


Figure 3: Moora Project – Location and Regional Geology Plan.

Liontown’s exploration concept has been validated by Chalice Gold Mines’ recent discovery of high-grade Ni-Cu-PGE mineralisation in the same geological terrain at Julimar, located ~95km south of the Moora Project (see **Figure 3** / ASX:CHN ASX releases dated 23rd March, 15th April and 20th April 2020).

Government geological mapping within the Moora Project area indicates a series of mafic-ultramafic intrusions spatially associated with large, dense bedrock features clearly visible in the regional gravity data (**Figure 4**). This geological setting is similar to those which host Chalice’s Julimar nickel discovery and the historic Yarawindah Ni-Cu-PGE occurrence (**Figures 3 and 4**) which is being actively explored by Cassini Resources Limited (www.cassini.com.au).

Historical exploration at Moora has been limited to the central part of the Project area and has largely comprised surface sampling and shallow RAB drilling.

In 1968, Poseidon NL recorded a number of significant nickel intersections in drilling at Moora including:

- 9m @ 0.62% Ni from 0m;
- 11.5m @ 0.60% Ni from 1.5m; and
- 21m @ 0.57% Ni from 1.5m.

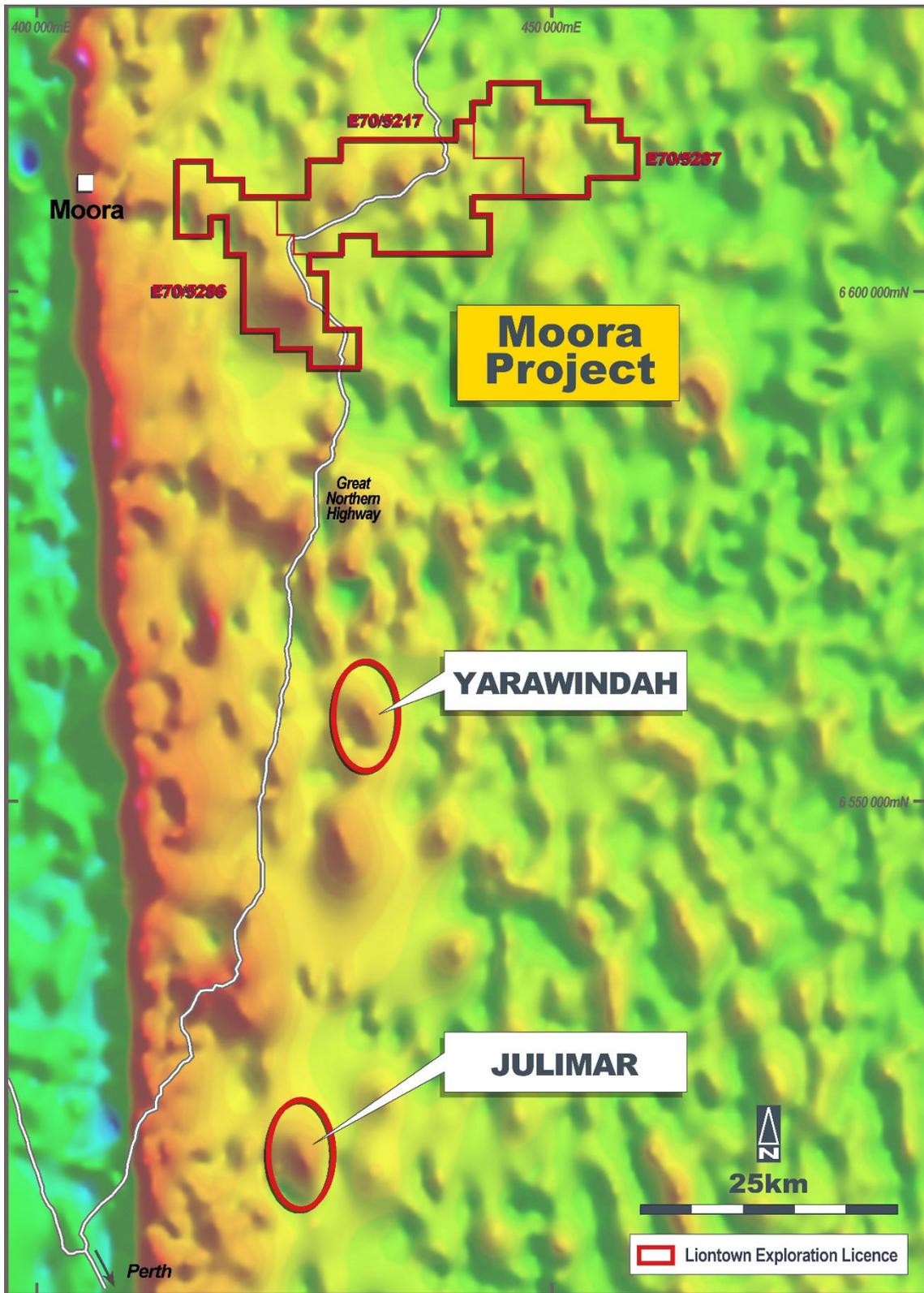


Figure 4: Moora Project – Regional Gravity (1VD) Image.

The drill intersections were hosted by strongly weathered, oxidised ultramafic rocks and Poseidon interpreted the elevated nickel values to be related to primary sulphides at depth based on the steep orientation of the mineralised zones and the presence of anomalous (>300ppm) copper nearby. Further work was planned by Poseidon, however its focus shifted to the Eastern Goldfields following its discovery of the Windarra nickel deposit in 1969.

Subsequent exploration by Palladium Resources and Washington Resources from 1999-2001 and 2004-2009 respectively confirmed strong, multi-element, Ni+Cu+PGE+Au anomalism in the same area as explored by Poseidon.

Despite the strong geochemical anomalism and prospective geological setting, there has been no prior drill testing of the fresh, unoxidised bedrock at Moora.

Due to extensive shallow cover and strong weathering, geophysical surveys will be required to better delineate the prospective mafic-ultramafic units. Results are pending for a recently completed gravity survey and auger sampling program conducted by Liontown, which also includes the first ever field assessment of the large gravity anomalies underlying the western part of the Project area (**Figure 4** – E70/5286).

Further work will be planned once assay data is received for the above work. It will most likely comprise shallow air-core drilling to define anomalous nickel-copper zones within the prospective units, moving-loop electro-magnetic surveys to define possible massive sulphides and deeper Reverse Circulation/diamond core drilling to test any targets identified.

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

The Toolebuc Vanadium Project is located in NW Queensland, approximately 440km west of Townsville (**Figure 5**), 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.

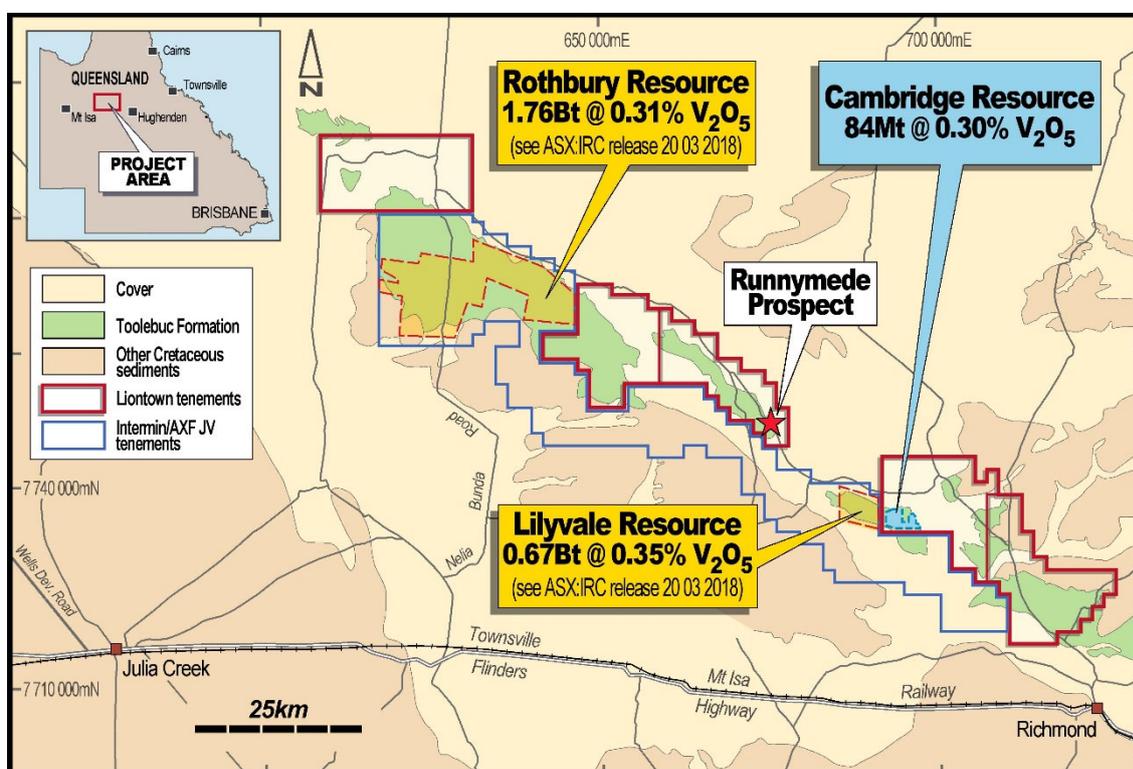


Figure 5: Toolebuc Vanadium Project – Location, regional geology and tenure showing mineral resources held by Intermin (in yellow) and Liontown’s Cambridge deposit (in blue).

No work was completed during the Quarter.

The Toolebuc Project represents a quality development and growth opportunity in the battery metals space; however, following a strategic review of its corporate priorities, Liontown has decided that the Project is no longer core to its operations. Consequently, the Company is seeking to divest the Project via a joint venture or outright sale.

5. 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 \$5,262,000 on exploration and evaluation activities (YTD: \$12,940,000) and \$651,000 on administration costs (YTD: \$1,843,000).

Payments reported in Appendix 5B, Section 6.1, relate to Directors fees, consulting fees, salaries paid to Managing Director related parties and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of Corporate services at cost including office rent and facilities, administration personnel and KMP services.

6. Corporate

Response to COVID-19

Due to the impact of COVID-19, Liontown has reassessed its strategic objectives and funding position to ensure that it can maintain development momentum at Kathleen Valley in 2020.

To conserve cash, effective from the April 1st 2020, the non-executive directors of Liontown have agreed to defer all fees they receive from the Company. In addition, the Managing Director (David Richards) and Chief Operating Officer (Adam Smits) have agreed to reduce the cash component of their remuneration by 45% and 40% respectively for the foreseeable future. The Board is implementing equity compensation to be granted in lieu of reduced salaries and deferred fees, details of which will be provided in due course. Liontown will also reduce short – medium term expenditure by postponing lower priority corporate and field-based activities until 2021.

In line with its commitments to safeguard the health and well-being of its employees and contractors, Liontown has introduced company-wide protocols consistent with the current advice from the Government and health authorities. Liontown continues to monitor the advice to ensure its protocols remain relevant.

Appointment of Chief Operating Officer

During the Quarter, Liontown appointed experienced and highly regarded mining executive **Mr Adam Smits** to the newly created role of Chief Operating Officer (COO).

With the resource drilling completed, Mr Smits has been appointed to transition Liontown towards the next stage of development, and ultimately production, at its flagship Kathleen Valley Lithium Project, WA.

The appointment of Mr Smits further strengthens the Company's senior leadership team, and his appropriate blend of skills and expertise will be utilised to manage all aspects of development, ensuring that key feasibility studies are delivered for the Kathleen Valley Project.

Mr Smits, who is a mechanical engineer by profession, has proven technical and operational experience having played a key role in the development of Perseus's Sissingué Project, TiZir Limited's US\$650M Grand Côte mineral sands project and Mineral Deposits Limited's US\$330M Sabodala Gold Mine.

He was most recently the COO and Executive Director for Nzuri Copper (ASX: NCZ), where he played an integral role in successfully completing the A\$109M sale of the ASX-listed company to a large Chinese mining group.

Cash Position

At the end of the Quarter, Liontown's cash balance was \$5,832,000.

This announcement has been authorised for release by the Board.



DAVID RICHARDS
Managing Director

27th April 2020

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The Information in this report that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Kathleen Valley Lithium Resource hits 139Mt @ 1.3% Li₂O as latest drilling success underpins 86% increase" released on the 13th February 2020 which is available on www.ltresources.com.au.

The Information in this report that relates to Ore Reserves and Pre-Feasibility Study (PFS) for the Kathleen Valley Project is extracted from the ASX announcements "Kathleen Valley Pre-Feasibility Study confirms potential for robust new long-life open pit lithium mine in WA" released on 2nd December 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Exploration Results for the Kathleen Valley Project is extracted from the ASX announcements "Spectacular new lithium hits at Kathleen Valley as ongoing resource drilling defines +3% Li₂O zone", "More outstanding lithium intercepts at Kathleen Valley as drilling confirms continuity of high-grade mineralisation" and "Kathleen Valley Lithium-Tantalum Project – Drilling, Operations and Strategy Update in Response to COVID-19" released on the 20th February 2020, 11th March 2020 and 30th March 2020 respectively which are available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Buldania Project is extracted from the ASX announcement "Liontown announces maiden Mineral Resource Estimate for its 100%-owned Buldania Lithium Project, WA" released on the 8th November 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Exploration Results for the Moora Project is extracted from the ASX announcement "Initial phase of exploration completed at 100%-owned Moora Nickel Project, located north-east of Perth in Western Australia" released on the 16th April 2020 which is available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Cambridge Deposit is extracted from the ASX announcement "Liontown Announces Maiden 84Mt Vanadium Resource for Toolebuc Project, NW Queensland" 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.

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% - nickel claw back rights retained by other party |
| | | M36/265 | | |
| | | M36/459 | | |
| | | M36/460 | Liontown Resources Limited | 100% - all metal rights |
| | | E36/879 | | |
| | | L36/236 | LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited). | 100% |
| | L36/237 | | | |
| | Buldanian | E63/856 | Avoca Resources Pty Ltd | 100% of rights to lithium and related metals secured by Lithium Rights Agreement |
| | | P63/1977 | | |
| | | M63/647 | | |
| | Killaloe | E63/1018 | 80% LRL (Aust) Pty Ltd/ 20% Cullen Resources Limited | 80% |
| | | E63/1660 | LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited). | 100% |
| | | E63/1713 | | |
| | | M63/0177 | | |
| | Toolebuc | EPM26490 | Liontown Resources Limited | 100% |
| | | EPM26491 | | |
| | | EPM26492 | | |
| | | EPM26494 | | |
| | | EPM26495 | | |
| | Moora | E70/5217 | ERL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited). | 100% |
| E70/5286 | | | | |
| E70/5287 | | | | |

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

No tenements were acquired during the Quarter

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

| Country | Project | Tenement No. | Registered Holder | Nature of interests |
|-----------|-------------------|--------------|---|---------------------|
| Australia | Norseman Regional | P63/2152 | LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited). | Surrendered% |
| | | P63/2127 | | |
| | | P63/2128 | | |
| | | P63/2129 | | |

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

No tenements were applied for during the Quarter

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Liontown Resources Ltd

ABN

39 118 153 825

Quarter ended ("current quarter")

31 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (5,262) | (12,940) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (292) | (837) |
| (e) administration and corporate costs | (359) | (1,006) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 38 | 102 |
| 1.5 Interest and other costs of finance paid | (6) | (6) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (5,881) | (14,687) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (32) | (87) |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) 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 | (32) | (87) |

| | | |
|---|-------------|---------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | 18,000 |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | 355 |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (2) | (907) |
| 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 (provide details if material) | (9) | (205) |
| 3.10 Net cash from / (used in) financing activities | (11) | 17,243 |

| | | |
|---|---------|----------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 11,756 | 3,363 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (5,881) | (14,687) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (32) | (87) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (11) | 17,243 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 5,832 | 5,832 |

| 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'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 5,832 | 4,256 |
| 5.2 | Call deposits | - | 7,500 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 5,832 | 11,756 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 266 |
| - |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (5,881) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (5,881) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 5,832 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 5,832 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 1.0 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No, because a significant drilling campaign to update the Mineral Resource Estimate at Kathleen Valley was completed before 31 March 2020. Ongoing activities will now focus on feasibility studies with a significantly lower level of spend compared to drilling activities. Total forecast cash expenditure for the next two Quarters is estimated at approximately \$2.3 million.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: No.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, ongoing feasibility activities require significantly less funds and steps have been taken to minimise costs and preserve cash balances whilst still progressing the Company's key strategic objectives.

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.

Date:27 April 2020.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.