

14 September 2017

ASX ANNOUNCEMENT**Liontown Sells Bynoe Lithium Project, NT to Core Exploration for
\$3.5M Plus Milestone Payment**

Proceeds will strengthen Liontown's cash position and be used to advance exploration at its key Australian lithium and vanadium projects

Liontown Resources Limited (ASX: LTR) advises that has agreed to sell its Bynoe Lithium Project tenure near Darwin in the Northern Territory to Core Exploration Limited (ASX: CXO) ("Core" or "CXO") for an upfront consideration of \$3.5 million followed by a milestone payment of \$1.5 million if a 5Mt lithium resource is defined on Liontown's ground.

Liontown has entered into a Sale Agreement under which Core will acquire 100% of all Liontown's Bynoe Project tenure by:

- Paying Liontown \$1,500,000 in cash and issuing \$2,000,000 in CXO shares (calculated using a 10-day VWAP prior to the date of the Sale Agreement) ("Consideration Shares"); and
- In addition, paying Liontown \$1,500,000 in cash or CXO shares (at Core's election) upon defining a JORC-compliant Mineral Resource totaling 5Mt within Liontown's Bynoe tenure.

The Consideration Shares issued to Liontown will be subject to a 12-month voluntary escrow with the following terms:

- Liontown may sell one third of the Consideration Shares 4 months after the date of issue and every 4 months thereafter; and
- Liontown may sell all the Consideration Shares (or any balance remaining) as a block at any time within the escrow period with the consent of Core.

The Agreement is conditional on certain ministerial approvals and consents.

Following the issue of shares included in the upfront consideration, Liontown will hold 32,232,025 Core shares, representing 8.2% Core's issued capital.

Liontown acquired the Bynoe Project in early 2016 due to the large number of documented rare metal pegmatites prospective for lithium and the Project's close proximity to Darwin and related infrastructure, which would be critical for the development of a commercial mining operation.

While widespread lithium mineralisation has been intersected within Liontown's tenure, a commercial review indicates that rationalization of tenements and resources in the area would significantly enhance the economics of future mining operations.

The sale of the Bynoe Project means that Liontown is well-funded and able to aggressively advance its other Australian projects.



DAVID RICHARDS
Managing Director
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