



## Liontown expands strategic footprint in northern Julimar province with key farm-in deal adjacent to Moora Project

Doubles exposure to emerging precious & base metals province

### HIGHLIGHTS

- Liontown has acquired the right to earn 51% equity in the Koojan Project, which is located adjacent to the western boundary of its 100%-owned Moora Project.
- Strategic deal increases its exploration footprint in the region to ~1,100km<sup>2</sup>.
- Regional geological and geophysical datasets indicate two prospective mafic/ultramafic trends within the Koojan Project, including:
  - The northern extension of the mineralized Mt Yule – Felton Corridor (MYFC) defined by Liontown on the Moora Project (see ASX: LTR release – 13<sup>th</sup> July 2020); and
  - The interpreted northern extension of the mafic-ultramafic corridor hosting the Julimar PGE\*-nickel discovery, 80-90km to the south (see ASX: CHN release – 22<sup>nd</sup> September 2020).
- The Koojan Project is effectively unexplored with no prior systematic geochemical sampling or drilling.
- Auger sampling is planned to commence as soon as access agreements are finalized with local landowners.
- At Liontown's Moora Project, initial assays from air-core drilling across previously defined auger geochemical anomalies have confirmed the potential for bedrock mineralisation with significant copper (up to 10m @ 1.9% Cu) and gold (up to 12m @ 0.5g/t Au) coincident with elevated nickel and platinum (see LTR ASX release dated 19<sup>th</sup> January 2021).

\*PGE: Platinum group elements palladium + platinum

Liontown Resources Limited (ASX: LTR, "Liontown" or "Company") is pleased to advise that it has significantly increased its exploration footprint near its 100%-owned **Moora Project** in Western Australia's emerging Julimar Mineral Province after executing a Binding Term Sheet which gives it the right to acquire a 51% interest in the adjacent Koojan Project from ASX-listed Lachlan Star Limited (ASX: LSA).

Lachlan Star's interest in the Koojan Project is held via a 50% ownership of Coobaloo Minerals Pty Ltd ("Coobaloo") with private group Wavetime Nominees Pty Ltd holding the remaining 50%. Lachlan Star acquired its equity in Coobaloo in late 2020 and will increase its holding in the Coobaloo to 75% once it has spent \$350,000 on in-ground exploration.

Liontown can acquire 51% equity in the Koojan Project by spending a total of \$4 million on exploration within 5 years with a minimum expenditure commitment of \$500,000 before having the right to withdraw.

The agreement with Coobaloo means that Liontown has more than doubled its exposure to the highly prospective region, increasing the area available for the Company to explore from 467km<sup>2</sup> to 1,068km<sup>2</sup>.

The Koojan and Moora Projects are located 130-150km north-northeast of Perth in Western Australia in the same geological terrain (*see Figure 1*) as Chalice Mines Limited's world-class Julimar PGE-nickel-copper-gold discovery.

The largely contiguous Koojan Project abuts the western boundary of the Moora Project, where Liontown has defined extensive, coherent gold-PGE-nickel-copper anomalism coincident with magnetic highs interpreted to be indicative of sediment-covered, mafic-ultramafic intrusions similar to the host lithology of the Julimar mineralisation.

Initial results from a maiden air-core drilling program on the Moora Project have confirmed the potential for significant bedrock mineralisation with intersections of up to 10m @ 1.9% Cu and 12m @ 0.5g/t gold (see LTR ASX release dated 19/01/2021). Assays are pending for a further 81 drill holes and follow-up Reverse Circulation (RC) drilling is in progress.

Interpretation of regional datasets indicate two possible, prospective mafic-ultramafic trends within the Koojan Project including:

- An eastern trend which appears to be the northern extension of Liontown's Mt Yule – Felton Corridor (MYFC), which is defined by coincident geochemical (gold+PGE+Ni+Cu) and magnetic anomalism (*Figure 2*) and which includes the drill intersections referred to above; and
- A western trend which regional aeromagnetic data indicate is the northern extension of the mafic-ultramafic corridor hosting the Julimar discovery 80-90km to the south (*Figures 2 and 3*).

Exploration completed by Lachlan Star on the Koojan Project comprises a geological review, limited reconnaissance rock chip sampling and an Airborne Electro-Magnetic survey flown in August 2020. There has been no systematic geochemical sampling or drilling on the Project.

Planning has commenced to undertake auger sampling at the Koojan Project as soon as access agreements have been finalised with landowners, several of whom Liontown is already working with on the Moora Project. Magnetic highs and adjacent areas will be prioritised for sampling.

### ***Killaloe Gold Project Divestment***

In a separate transaction, Liontown has agreed to sell its Killaloe Project, located near Norseman in Western Australia (*Figure 4*), to Lachlan Star for 40,000,000 Lachlan Star shares.

Liontown has defined a number of drill-ready gold targets at Killaloe and the transaction allows the Company to retain exposure to exploration on the property through its shareholding in Lachlan Star while prioritising work on its Kathleen Valley and Moora Projects.

### Land Status and Principal Transaction Details

#### Koojan Project

The Koojan Project area totals ~600km<sup>2</sup> and comprises three granted Exploration Licences (ELs 70/5312, 70/5337 and 70/5429), three applications for Exploration Licences (ELs 70/5450, 70/5515 and 70/5516) and one application for a Prospecting Licence (PL 70/1743).

All tenements are 100%-owned by Coobaloo Minerals Pty Ltd, which is owned 50% by Lachlan Star Limited (ASX: LSA) and 50% by private group Wavetime Nominees Pty Ltd.

The transaction details are summarised in the table below:

Liontown Option to Earn 51% in Koojan Project						
JV Earn In	Liontown (or nominee)		Coobaloo Minerals Pty Ltd			
	Spend	Holding	Lachlan Star (or nominee)		Wavetime	
			Spend	Holding	Spend	Holding
Stage 1 - Minimum exploration commitment within 18 months of execution	\$500,000	0%	0	75%*	0	25%
Stage 2 – within 60 months of execution	\$1,000,000	30%	\$250,000	45%	0	25%
Stage 3 – within 60 months of execution	\$2,500,000	51%	\$750,000	24%	0	25%
<b>Total</b>	<b>\$4,000,000</b>		<b>\$1,000,000</b>		<b>0</b>	

\*Following LSA satisfying 75% earn-in requirement.

- Provided that it satisfies the \$500,000 minimum expenditure obligation in Stage 1, Liontown may withdraw from the Koojan Project at any time prior to the end of Stage 2. Liontown may also elect not to incur the Stage 3 expenditure and, if it does, the parties shall stay at their Stage 2 participating interests. Following Stage 3 (or in the event Liontown elects not to incur the Stage 3 expenditure), Liontown and Lachlan Star shall contribute according to their participating interests.
- Liontown will manage the Koojan Project and will determine the work programs and budgets during Stages 1, 2 and 3 at its sole election. Following Stage 3, management committee voting between Liontown and Coobaloo shall be on a simple majority basis other than certain market standard reserved decisions (e.g., tenement surrenders) that will be on a unanimous basis.
- Wavetime shall have a 25% free carried interest and a 1% NSR (Net Smelter Return) through to completion of a Bankable Feasibility Study (BFS). Following completion of a BFS, Wavetime shall have a one-time right to elect to convert its retained contributing interest to an additional 1% NSR (Wavetime total 2% NSR). If Wavetime chooses not to convert its interest to an NSR, it shall be responsible for funding its share of joint venture expenditure or dilute using the standard AMPLA dilution clause but will retain the initial 1% NSR.
- The Wavetime NSR will apply to all precious, industrial minerals and base metals produced, sold and proceeds received from the Koojan Project.

Completion under the transaction remains subject to the satisfaction (or where permitted, waiver) of a number of conditions precedent, including:

- Satisfactory completion of due diligence by Liontown
- Lachlan Star increasing its interest in the Koojan Project to 75%;

ASX: LTR

- Wavetime consenting to an acceptable Joint Venture Agreement arrangement or satisfactory alternative agreement between Lachlan Star and Liontown;
- Receipt of all necessary third-party, legal and ASX authorisations, approvals and consents required by both parties; and
- No material breach of warranties.

Completion is anticipated to occur in Q1 2021.

### **Killaloe Project**

The Killaloe Project area totals ~94km<sup>2</sup> and comprises two granted Exploration Licences (EL 63/1018 and EL 63/1713) and one granted Mining Lease (M 63/177).

EL 63/1018 is subject to an agreement between Liontown and Cullen Exploration Pty Ltd ("Cullen"), with Cullen owning 20% of this tenement. The other tenements are 100%-owned by LRL (Aust) Pty Ltd, which is a wholly-owned subsidiary of Liontown Resources Limited.

Under the agreement, Lachlan Star will acquire Liontown's rights to the Killaloe Project by issuing 40 million fully-paid ordinary shares to Liontown as follows:

- 15 million shares in relation to Liontown's wholly-owned tenure (Tranche 1);
- 25 million shares in relation to Liontown's 80%-owned tenure (Tranche 2); and
- Paying Liontown a 1% NSR for all minerals produced by Lachlan Star.

Tranche 2 is conditional on Cullen not exercising its pre-emptive rights under its agreement with Liontown. Cullen has up to 45 days to exercise its pre-emptive rights.

Completion under the transaction remains subject to the satisfaction (or where permitted, waiver) of a number of conditions precedent, including:

- Satisfactory completion of due diligence by Lachlan Star;
- Receipt of all necessary authorisations, approvals and consents required by both parties (which may include shareholder approval by Lachlan Star in accordance with ASX Listing Rules) and confirmation that ASX Listing rule 11.1.3 does not apply to the transaction; and
- No material breach of warranties.

The divestment of the Killaloe Project and the acquisition of the earn-in interest in the Koojan Project are separate transactions and are not inter-conditional.

Completion is anticipated to occur in Q1 2021.

Following completion, Liontown will have the right to appoint a Director to the Lachlan Star Board.

The Tenements are covered by the Ngadju Determined Native Title Claim (WCD2014/004). Liontown has an Access Agreement with the Ngadju which will apply to Lachlan Star's exploration activities.

This announcement has been authorized for release by the Board.



DAVID RICHARDS  
Managing Director

---

For More Information:

David Richards  
Managing Director  
T: +61 8 9322 7431  
[info@ltresources.com.au](mailto:info@ltresources.com.au)

Investor Relations:

Nicholas Read  
Read Corporate  
T: +61 8 9388 1474  
[nicholas@readcorporate.com.au](mailto:nicholas@readcorporate.com.au)

---

### Competent Person Statement

*The Information in this report that relates to Exploration Results for the Moora Project is extracted from the ASX announcement "Initial assays of up to 2.5% copper and 1.1g/t gold from maiden drilling program at 100%-owned Moora Project, WA" released on 19th January 2021 which is available on [www.ltresources.com.au](http://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 announcement and that all material assumptions and technical parameters in the original market announcement continue to apply and have not materially changed. 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.*

### Forward Looking Statement

*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.*

ASX: LTR

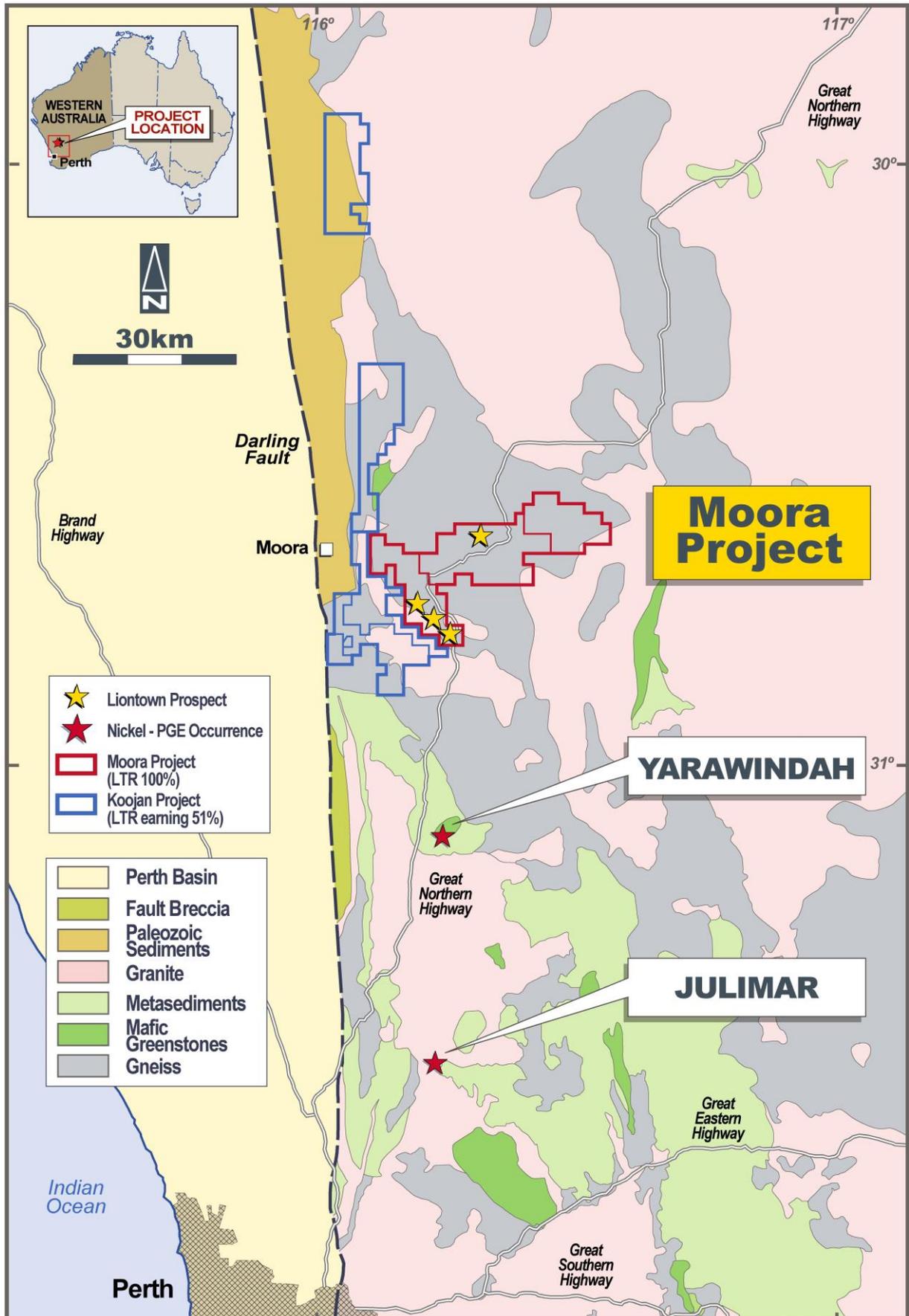


Figure 1: Moora and Koojan Projects: Location plan and regional geology.

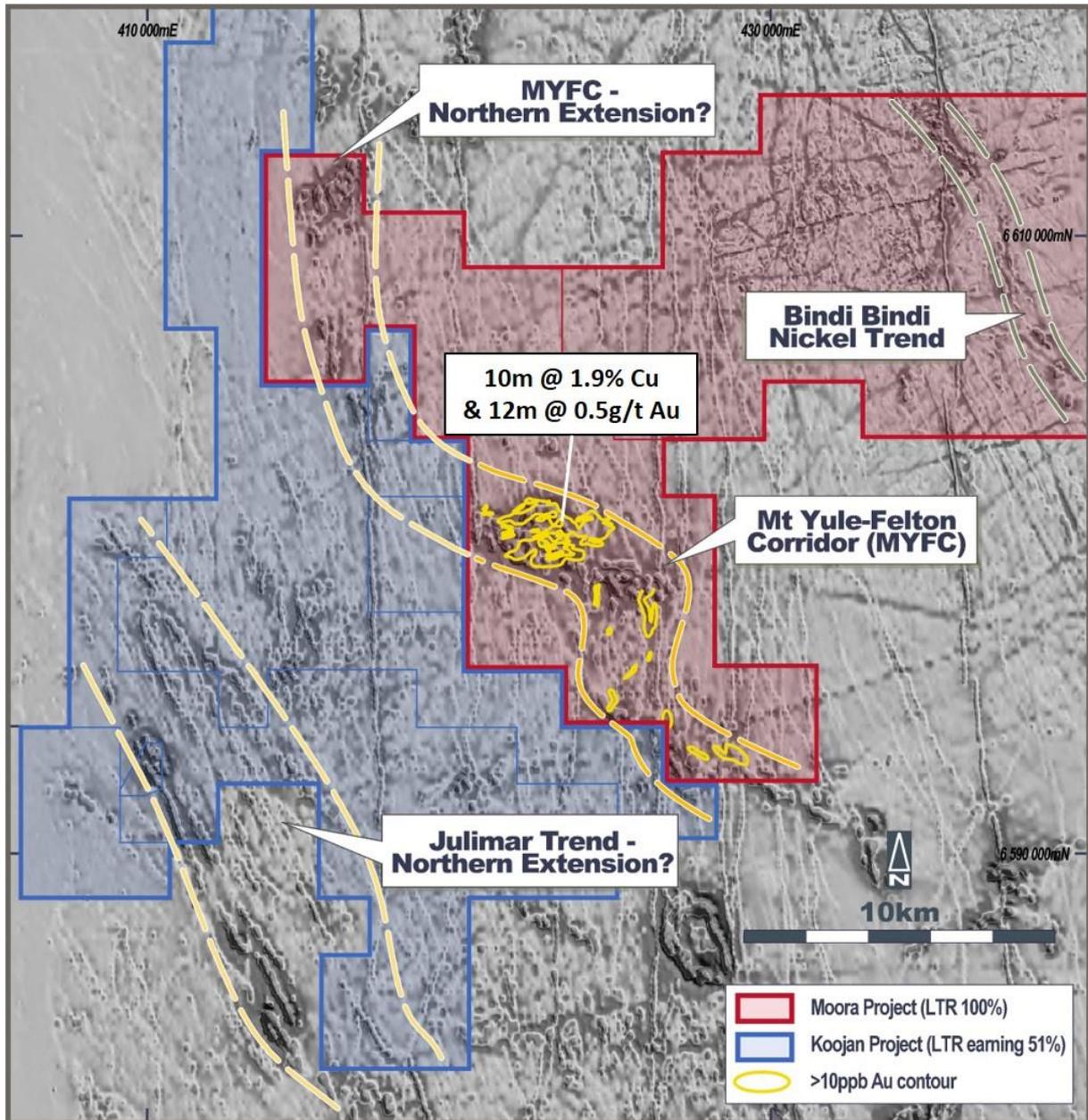


Figure 2: Moora and Koojan Projects –Grey scale magnetic image showing prospective mafic/ultramafic trends and anomalous gold geochemistry within the MYFC.

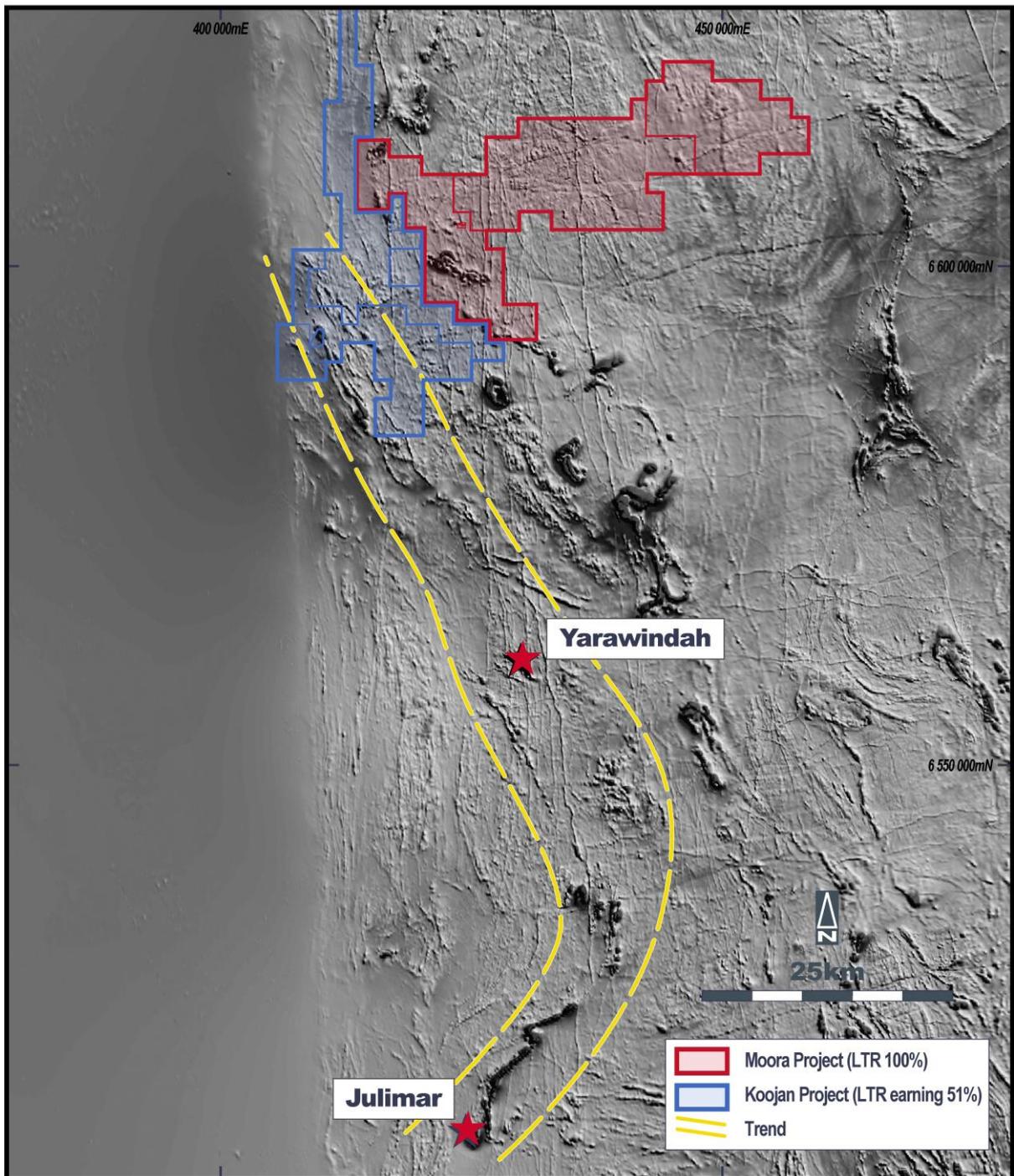


Figure 3: Regional, grey scale magnetic image showing interpreted Julimar Trend.

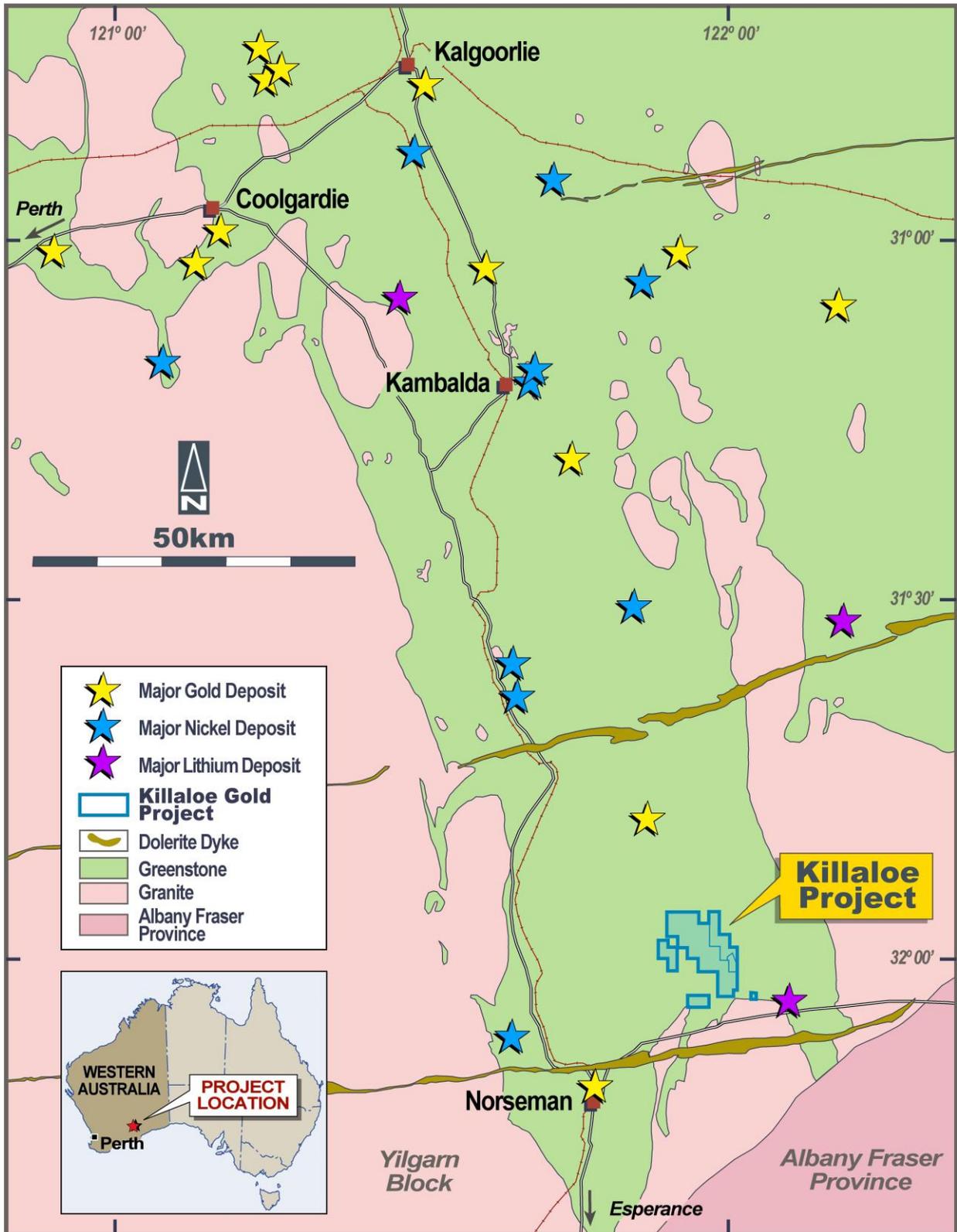


Figure 4: Killaloe Projects: Location plan and regional geology.