



10 October 2017

Australian Securities Exchange Limited  
Level 40 Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

Dear Sir

**Proposed Issue of Unlisted Options and Notification of Change to Managing Directors Salary**

Liontown Resources Limited (ASX: LTR) ('Liontown' or the 'Company') advises that the Board has resolved to issue a total of 18,700,000 unlisted options to directors and employees of the Company under the terms and conditions of the Liontown Employee Share Option Plan and as set out below.

The issue of options to directors, is subject to shareholder approval at the Company's upcoming AGM in November 2017. The Company provides the following information in relation to the proposed issue:

<b>Number proposed to be issued to Directors (subject to shareholder approval)</b>	16,000,000
<b>Number to be issued to employees</b>	2,700,000
<b>Principle terms</b>	The unlisted Share Options will be issued under the terms and conditions of the Company's Employee Share Option Plan
<b>Exercise price</b>	2.0 cents (representing a premium of 150% to the Company's closing 5 day volume average weighted price ('VWAP') of 0.8 cents up to and including 9 October 2017).
<b>Vesting</b>	Immediately
<b>Expiry date</b>	31 October 2022

If all options to directors are approved by shareholders, the total number of outstanding options issued under the ESOP will equate to approximately 2.9% of the fully diluted share capital of the Company.

Furthermore, the Company advises that the Board has approved an increase in the salary of Managing Director David Richards from \$220,000 per annum (including superannuation) to \$225,000 (including superannuation).

Yours faithfully,

Kym Verheyen  
Company Secretary