

27 November 2017

ASX ANNOUNCEMENT**Liontown sells non-core tenements at Kathleen Valley ahead of new lithium campaign**

Divestment provides additional funding, reduces costs and allows Liontown to focus on priority lithium targets as part of upcoming drilling program in early 2018

Liontown Resources Limited (ASX: LTR) advises that it has elected to divest a number of non-core tenements at its Kathleen Valley Lithium Project in WA to neighbouring gold companies Draig Resources and Ramelius Resources following a geological review of the broader project area.

Liontown acquired the lithium and related metal rights for the Kathleen Valley Project from Ramelius Resources Limited (RMS) in late 2016, with subsequent exploration work confirming the prospectivity for significant lithium mineralisation within extensive spodumene-bearing pegmatites located in the northern part of the project area.

The Company is planning to commence a major new exploration campaign targeting the lithium potential in this northern area early next year (see background below).

A review of the rest of the tenement package has identified a number of non-core tenements considered to have low prospectivity for spodumene-related lithium mineralisation.

The Kathleen Valley comprises 15 contiguous Mining Leases ("MLs"), of which 11 will be divested. The divestment will be completed in two parts (**Figure 1**):

- The sale of 7 MLs to Draig Resources Limited (Draig) for 1,000,000 Draig shares and \$25,000 cash; and
- The cancellation of all mineral rights held by Liontown Resources for 4 MLs and the return of their title to Ramelius Resources in accordance with the terms of the original Sale Agreement.

Completion of both transactions is conditional on the execution of a number of Deeds of Assignments with respect to third party interests and obligations. The sale to Draig is also conditional on certain ministerial approvals and consents.

The Kathleen Valley Lithium Project

The Kathleen Valley Project is located 680km north-east of Perth between Leinster and Mt Keith. Since acquiring the Project, Liontown has defined extensive spodumene-bearing pegmatite swarms located close to modern transport, energy and camp infrastructure.

Initial drilling (**Figure 2**) intersected wide zones of lithium mineralisation (up to 58m @ 1.2% Li₂O) and further drilling is planned for the first Quarter of 2018 pending receipt of statutory access permits.

Following the sale of the tenements at Kathleen Valley, Liantown will have cash and investments totalling approximately \$5.5million meaning that the Company is well positioned to rapidly progress exploration at its key lithium projects in WA.



DAVID RICHARDS
Managing Director
27 November 2017

The information in this report that relates to the exploration results for the Kathleen Valley Project is extracted from the ASX announcement entitled "Liantown intersects strong lithium and tantalum mineralisation in maiden drill program at Kathleen Valley, WA" released on the 20th March 2017 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 report 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 materialize, 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.

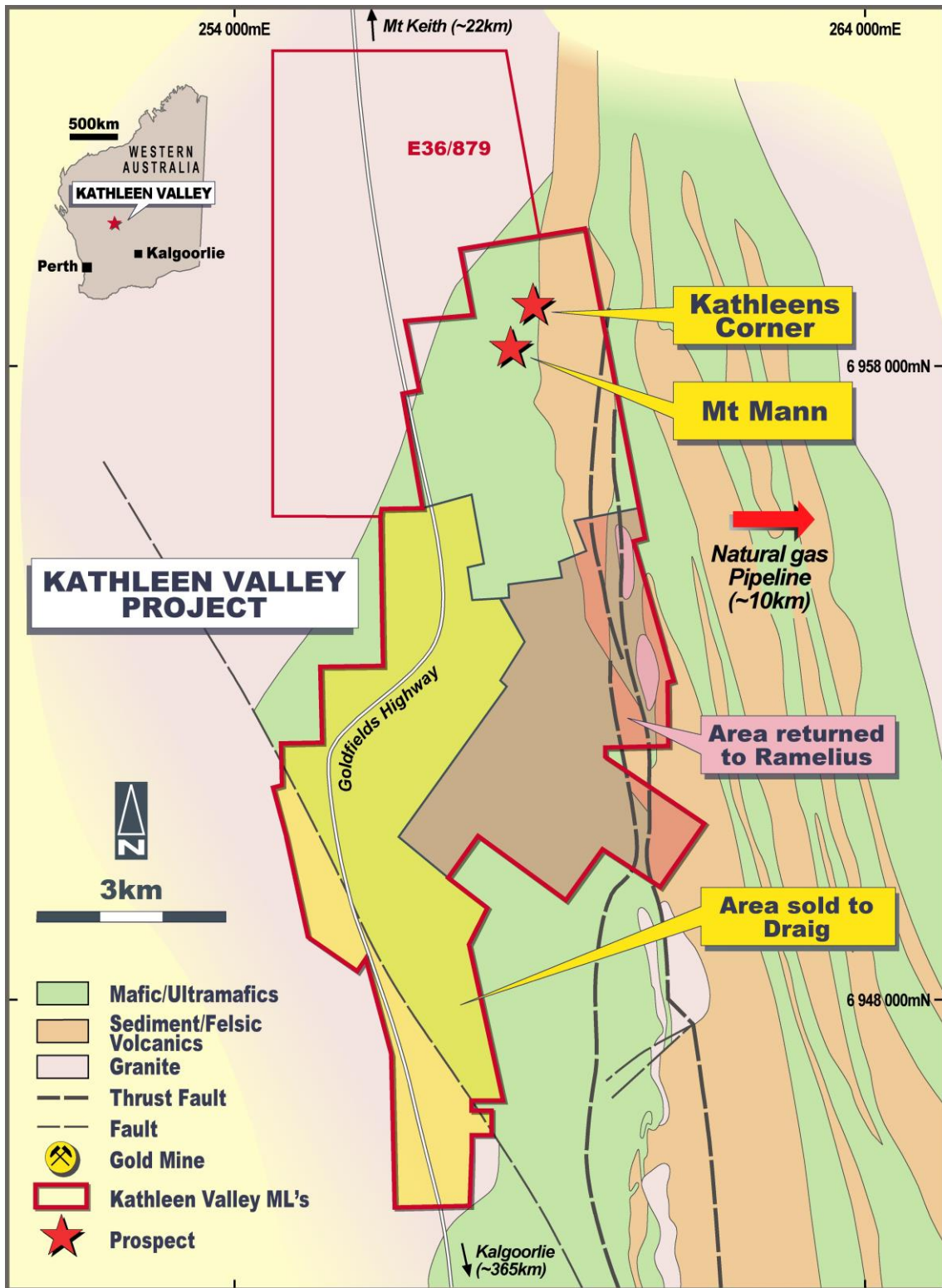


Figure 1: Kathleen Valley Project - Tenement and Ownership Status

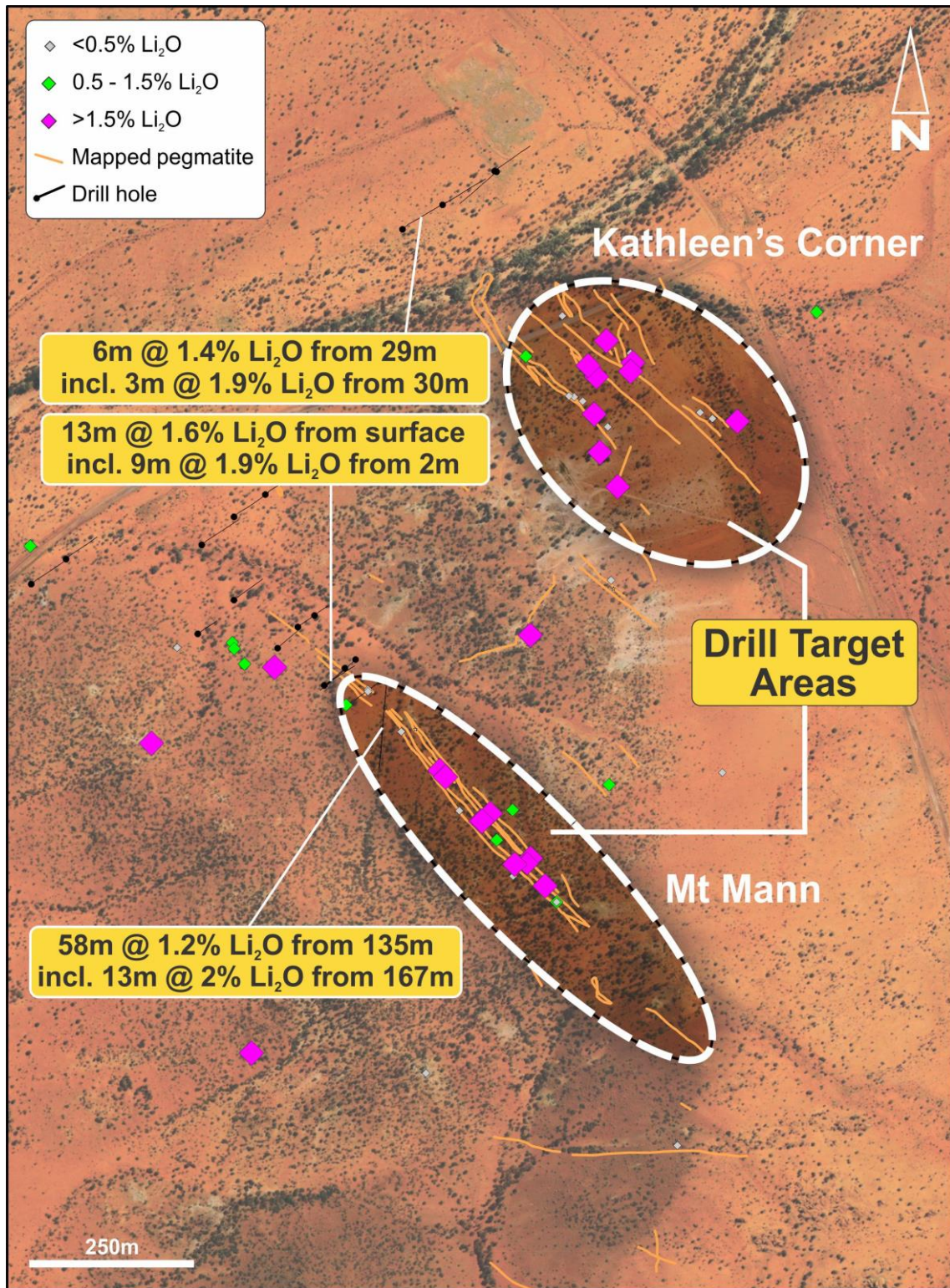


Figure 2: Kathleen Valley Project - Mt Mann and Kathleen's Corner areas showing better rock chip and drill results

APPENDIX 1 – KATHLEEN VALLEY – DRILL HOLE STATISTICS

Hole_ID	East	North	RL	Dip	Azimuth	Depth (m)	Significant Li2O (>0.5%) and Ta2O5 (>50ppm) results				
							From(m)	To(m)	Interval(m)	Li2O (%)	Ta2O5 (ppm)
KVRC0001	258306	6958744	500	-60	45	65	3	6	3	1	122
							10	11	1	1.1	85
							16	17	1	1.1	94
KVRC0002	258379	6958675	500	-60	225	109	0	13	13	1.6	114
							incl. 9m @ 1.9% Li2O and 107ppm Ta2O5 from 2m				
							26	29	3	1.3	101
							35	36	1	1.6	127
							83	96	13	1.6	111
incl. 6m @ 2% Li2O and 113ppm Ta2O5 from 88m											
KVRC0003	258395	6958690	500	-59	225	155	91	105	14	1.7	163
							incl. 8m @ 2% Li2O and 130ppm Ta2O5 from 92m				
KVRC0004	258348	6958645	500	-50	45	89	36	38	2	1	99
							45	56	11	1.2	100
							incl. 3m @ 1.8% Li2O and 106ppm Ta2O5 from 45m				
KVRC0005	258276	6958707	500	-53	40	89	32	34	2	1.3	112
							39	40	1	1.5	132
KVRC0006	258433	6958654	500	-49.5	227.5	80	37	43	6	1.1	153
							29	35	6	1.4	170
KVRC0007	258452	6959426	500	-47	45	132	incl. 3m @ 1.9% Li2O and 166ppm Ta2O5 from 30m				
							39	40	1	1.1	198
							124	125	1	2.4	302
KVRC0008	258512	6959469	500	-50	55	130	81	82	1	1.2	310
							95	96	1	1	124
KVRC0009	258590	6959528	500	-50	45	113	57	59	2	0.7	248
							70	71	1	0.6	266
KVRC0010	258593	6959527	500	-50	225	130	83	85	2	1.1	211
							91	92	1	1.4	239
							100	106	6	1.2	284
KVRC0011	258208	6958788	500	-50	45	89	24	25	1	1	112
KVRC0012	258154	6958729	500	-55	45	65	No significant assays				
KVRC0013	258205	6958930	500	-50	45	108	No significant assays				
KVRC0014	258157	6958881	500	-50	45	113	12	17	5	0	240
							135	193	58	1.2	156
							incl. 9m @ 1.8% Li2O and 220ppm Ta2O5 from 141m and 13m @ 2.0% Li2O and 138ppm Ta2O5 from 67m and				
							206	230	24	1.3	139
							incl. 3m @ 1.6% Li2O and 105ppm Ta2O5 from 208m and 2m @ 2.6% Li2O and 271ppm Ta2O5 from 217m and 4m @ 1.6% Li2O and 145ppm Ta2O5 from 226m and				
							No significant assays				
KVRC0016	258331	6958764	500	-50	45	40	No significant assays				
KVRC0017	257899	6958809	500	-50	45	119	63	65	2	1.3	212
KVRC0018	257951	6958853	500	-50	45	101	1	2	1	1.4	93
KVRC0019	258252	6958969	500	-50	45	89	No significant assays				

* True widths estimated as follows:

Holes drilled towards NE (040-055), true widths 70-80% of downhole width

Holes drilled towards SW (040-055), true widths 30-50% of downhole width

KVRC0015 true widths ~30% of downhole width