

ASX ANNOUNCEMENT

24th JANUARY 2018

Appendix 5B Statement for 31 December 2017 quarter

Please find attached the Company's Appendix 3B Statement for the quarter ended 31 December 2017.

The Company's cash balance as at 31 December 2017 was \$2.06 million. The Company advises that it also holds 39.2 million shares in Core Exploration Limited (ASX:CXO) (Subject to 12 month voluntary escrow where Liontown may sell one third of the Core shares every four months commencing in March 2018) and 1 million tradeable shares in Draig Resources Limited (ASX:DRG). These investments have a combined value of approximately \$3.1 million at current prices.

The forecasted cash outflow of \$1,025,000 for the next quarter includes the current drilling program at Kathleen Valley and at Buldania (estimated to commence in late February). The Company's combined cash and shareholdings valued at approximately \$5.1 million allows Liontown to be in a strong position to fund future follow up drilling at both projects.

A handwritten signature in blue ink, appearing to read "Tim Goyder".

TIM GOYDER
Chairman

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Liontown Resources Ltd

ABN

39 118 153 825

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(189,194)	(555,742)
(b) development	-	-
(c) production	-	-
(d) staff costs	(45,123)	(90,133)
(e) administration and corporate costs	(119,812)	(200,460)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3,718	9,245
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(59,375)	(59,375)
1.7 Research and development refunds	-	-
1.8 Other (Proceeds from sale of Bynoe Lithium Project and Kathleen Valley tenements)	1,525,000	1,525,744
1.9 Net cash from / (used in) operating activities	1,115,214	629,279

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6,364)	(10,264)
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	2,879	2,879
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) 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	(3,485)	(7,385)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	26,250	26,250
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
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 (1) Share Application monies held on trust (see notes to cash flow below)	-	-
(2) Bank Guarantee	-	-
3.10 Net cash from / (used in) financing activities	26,250	26,250

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	925,235	1,415,600
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,115,214	629,279
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,485)	(7,385)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	26,250	26,250

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.5	Effect of movement in exchange rates on cash held	(184)	(714)
4.6	Cash and cash equivalents at end of period	2,063,030	2,063,030

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	Previous quarter \$A
5.1	Bank balances	2,063,030	925,235
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,063,030	925,235

Notes to cash flow

6.	Payments to directors of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	81,547
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 consists of the salary and superannuation paid to the Managing Director (\$55,177), Directors fees, PAYG and superannuation for non-executive directors for the current quarter (\$26,370).

7.	Payments to related entities of the entity and their associates	Current quarter \$A
7.1	Aggregate amount of payments to these parties included in item 1.2	16,500
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 represents service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A
9.1 Exploration and evaluation	875,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50,000
9.5 Administration and corporate costs	100,000
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,025,000



Sign here:

Date: 24 January 2018

Company Secretary

Print name: Kym Verheyen

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.