



Liontown maintains strong momentum at its two key hard-rock lithium projects in Western Australia

Development studies and aggressive drilling set to continue at Kathleen Valley and Buldania in 2019

Kathleen Valley Lithium Project

- **Scoping Study well-advanced with results due for release in second half of January 2019.**
- **Second phase of metallurgical drilling in progress to collect ~4t of samples for detailed test work.**
- **~15,000m resource expansion drilling program to commence in Q1 2019.**

Buldania Lithium Project

- **Latest drilling confirms large lithium mineralised system at Anna with the system remaining open along strike and down-dip.**
- **~8,000m of additional drilling planned at Anna to evaluate recently identified extensions ahead of a maiden Mineral Resource estimate.**
- **Soil sampling defines large, high-order lithium anomaly ~5-8km NW of Anna partly coincident with outcropping spodumene-bearing pegmatites.**

Following highly successful field programs in 2018, Liontown Resources Limited (ASX: LTR) is pleased to advise that it will progress development studies in parallel with aggressive resource expansion and exploration drilling at its two 100%-owned hard-rock lithium projects in West Australia (**Figure 1**).

The Kathleen Valley and Buldania Lithium Projects host significant spodumene-related lithium mineralisation close to established modern infrastructure, providing excellent potential to advance rapidly towards development next year.

Current activities at Kathleen Valley, which is ~670km north-east of Perth, include a Scoping Study to provide a preliminary economic assessment, further diamond core drilling to supply material for comprehensive metallurgical test work and product for potential off-take partners, and planning for a 15,000m resource extension drilling program due to commence early next year.

At Buldania, located ~600km east of Perth, Liontown is planning further resource definition drilling at the Anna Pegmatite to evaluate recently identified extensions ahead of a maiden Mineral Resource estimate, as well as initial drill testing of a new target area 5-8km to the north-west where exploration has defined a large lithium-in-soil anomaly and multiple spodumene-bearing pegmatite outcrops.

These multi-pronged work programs should ensure continued strong news flow for Liontown into 2019.

Kathleen Valley

In September 2018, Liontown announced a maiden Mineral Resource estimate for Kathleen Valley of **21.4Mt @ 1.4% Li₂O and 170ppm Ta₂O₅** (see ASX release dated 4th September 2018).

The size and the grade of the Mineral Resource, which is 75% Measured and Indicated, compare favourably with those at existing mining operations in southern Western Australia (e.g. Mt Cattlin and Bald Hill), giving the Company confidence to undertake a Scoping Study.

Work on the Scoping Study has progressed quickly and results are due for release in mid-late January 2019 with Liontown envisaging transitioning to a Feasibility Study soon afterwards.

Preliminary metallurgical test work results based on a 300kg sample (see ASX release dated 12th November 2018) were highly encouraging and indicate that a saleable spodumene concentrate similar to those from existing lithium mining operations in West Australia can be produced from Kathleen Valley.

Additional test work is required to optimise the preliminary metallurgical results and to provide adequate sample volume to estimate meaningful tantalum recoveries. A 33-hole/3,100m PQ diamond core drilling program is in progress to provide ~4 tonnes of material (**Figure 2**) for further metallurgical test work, which is scheduled to be completed in the first half of 2019. The additional drilling will also ensure that Liontown can provide samples to potential off-take partners.

The current Mineral Resource remains open along strike and down-dip with initial optimisation work indicating that conceptual open pits are largely constrained by the limit of drill data.

A 15,000m Reverse Circulation (RC) drilling program designed to increase the current Mineral Resource estimate and convert Inferred resources to Measured and Indicated is planned to commence in early 2019.

Buldanía

A second phase of RC and diamond core drilling completed in October 2018 confirmed wide zones of continuous ore grade mineralisation at the Anna pegmatite over a strike length of 1.3km with the system remaining open (see ASX release dated 20th November 2018).

While the north-west part of the Anna pegmatite is well defined by 50 x 50m drilling, the south-eastern half of the deposit is only partially delineated with 1-2 holes drilled on lines 100m apart (**Figure 3**).

Given the larger than expected extent of the Anna mineralisation, Liontown has elected to undertake additional drilling before commissioning a maiden, independent JORC-compliant Mineral Resource estimate. An 8,000m RC drilling program will be completed in the New Year to ensure adequate data for a Mineral Resource estimate.

In addition to the resource drill out at Anna, Liontown will also test a number of newly defined spodumene-bearing pegmatites located 5-8km to the north-west (see ASX release dated 13th November 2018). Recent exploration in this area has:

- Identified multiple spodumene-bearing pegmatites up to 800m long and 20m wide;
- Recorded rock chip results up to 3% Li₂O; and
- Defined a large, high-order (up to 500ppm) lithium-in-soil anomaly over more than 2km strike (**Figure 4**).

The outcropping pegmatites are coincident with the southern part of the soil anomaly indicating potential for the discovery of further spodumene-mineralised zones.

Liontown has an Agreement with Westgold Resources Limited (ASX: WGX), under which it has secured the rights to lithium and related metals (which include beryllium, caesium, niobium, rubidium, tantalum and tin) for the Buldania Project while Westgold retains the right and priority access to all other metals. Westgold will be paid \$2 per tonne for any lithium ore mined and 1.5% of the gross sales receipts.

Liontown Managing Director David Richards said the Company was looking forward to continuing an aggressive work program in 2019 which was designed to put both of its WA hard rock lithium projects on a rapid development trajectory.

"Given their grade, potential scale and location close to established infrastructure, both Kathleen Valley and Buldania represent outstanding development and growth opportunities for Liontown with the potential to underpin our transformation into a supplier of high-quality spodumene concentrate to the rapidly growing lithium-ion battery market," he said.

"Building on the foundations of what has been an outstanding year for Liontown in 2018, we are looking forward to an even busier and more successful year in 2019."

A handwritten signature in purple ink, reading "David Richards".

DAVID RICHARDS

Managing Director

12th December 2018

The Information in this report that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Maiden 21 million tonne Lithium-Tantalum Mineral Resource sets strong growth foundation for Liontown at Kathleen Valley" released on the 4th September 2018 which is available on www.ltresources.com.au. The Information in this report that relates to Metallurgy for the Kathleen Valley Project is extracted from the ASX announcement "Highly encouraging results from initial metallurgical test work at the Kathleen Valley Lithium-Tantalum Project, WA" released on the 12th November 2018 which is available on www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Buldania Project is extracted from the ASX announcements entitled "More strong assays confirm significant lithium discovery at Buldania Project in WA", "Second significant lithium discovery in WA with new, thick high-grade hits at Buldania", "Outstanding new drilling results continue to expand lithium mineralisation at Buldania", "Liontown further expands prospective lithium footprint at Buldania in WA's South-Eastern Goldfields" and "Latest assays confirm lithium mineralisation over >1.3km strike length at the Buldania Lithium Project in WA" released on the 26th March 2018, 19th September 2018, 1st November 2018, 13th November 2018 and 20th November 2018 respectively which are 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 announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant 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.

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.

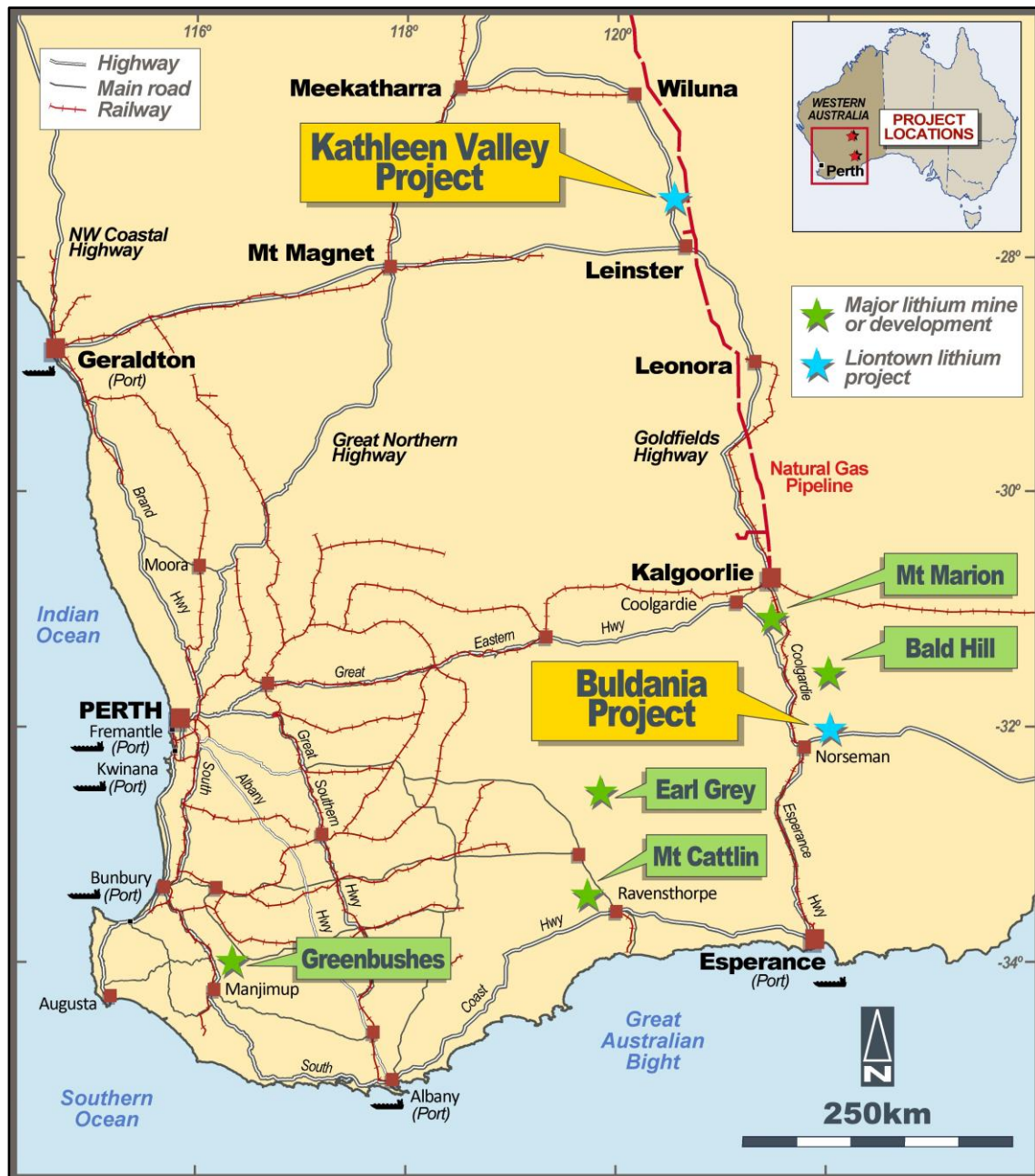


Figure 1: Lontown's Western Australian Hard Rock Lithium Projects – Location Plan



Figure 2: Kathleen Valley Project – PQ diamond drill core showing abundant white spodumene crystals
(NB core diameter ~ 8.5cm)

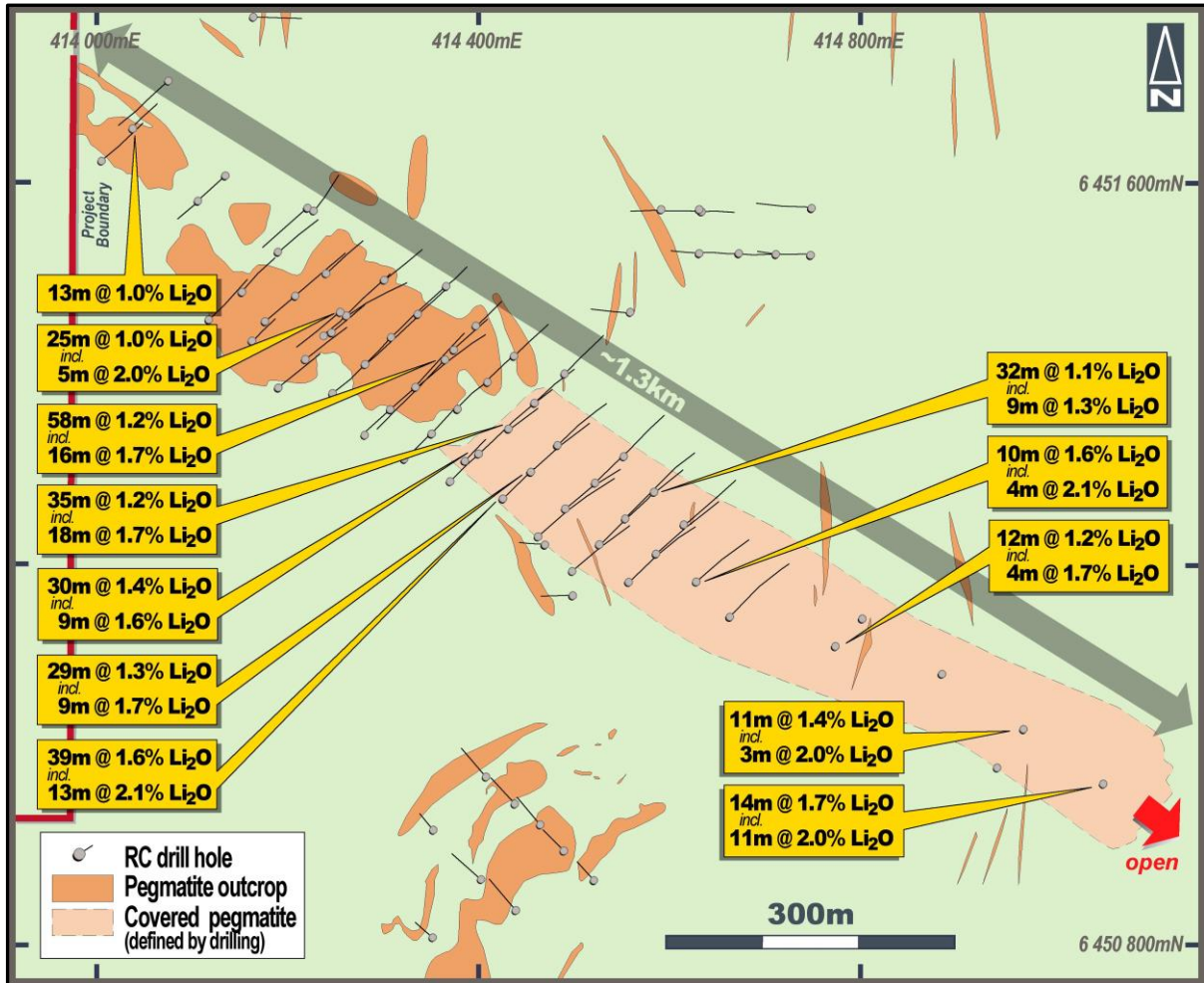


Figure 3: Anna Pegmatite – Drill hole plan showing better lithium intersections

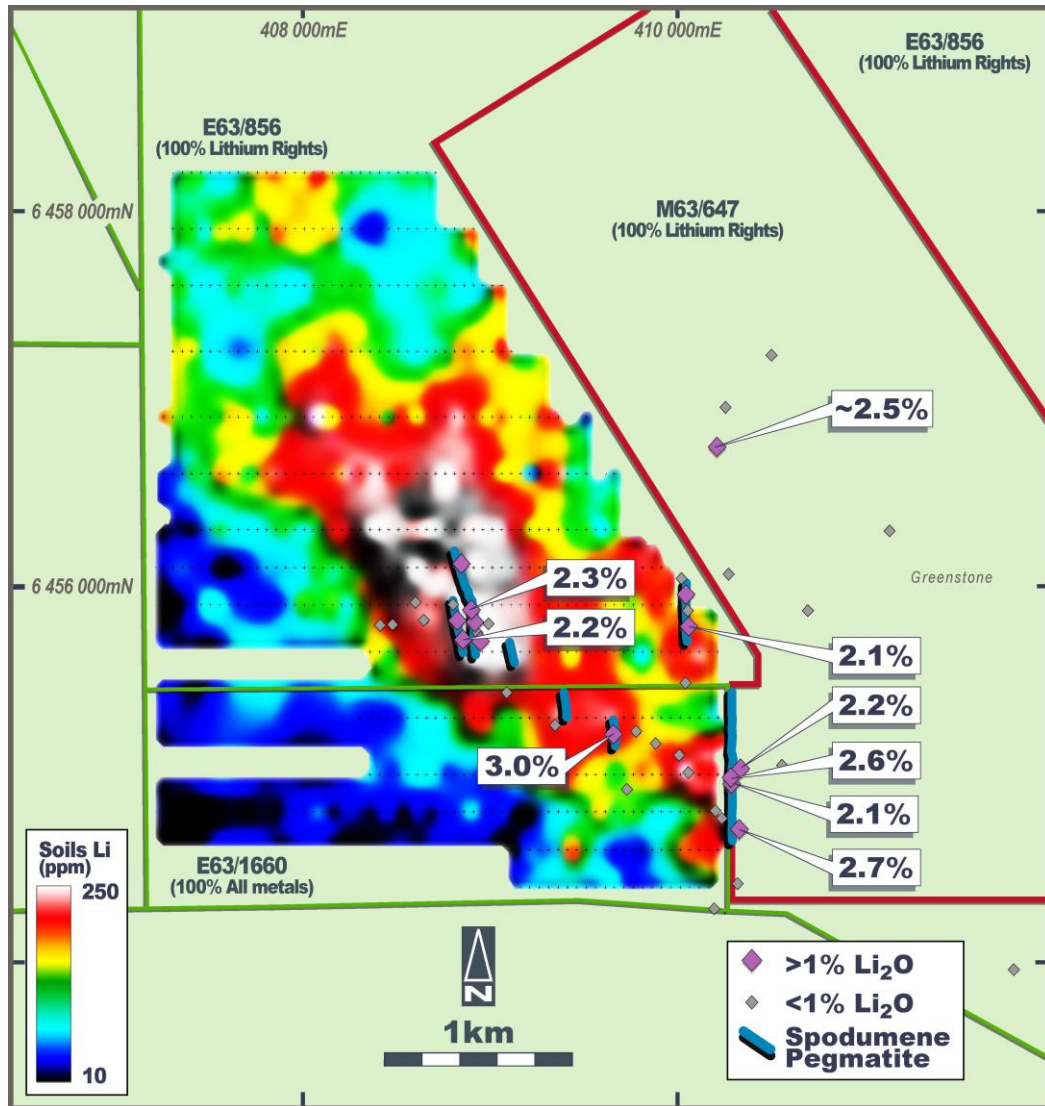


Figure 4: Buldania Project – New pegmatite area showing soil and rock chip lithium geochemistry