



FEBRUARY 2019 ASX : LTR



Kathleen Valley Lithium Project Scoping Study Outcomes



Forward Looking Statements

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Competent Person Statement

The Information in this report that relates to the Scoping Study for the Kathleen Valley Project is extracted from the ASX announcement “Kathleen Valley Scoping Study confirms potential for robust new WA lithium mine development” released on the 29th January 2019 which is available on www.ltresources.com.au.

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 Exploration Targets is extracted from the ASX announcement “Major resource expansion drilling program commences at Kathleen Valley Lithium Project, WA” released on the 29th January 2019 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 and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 announcements.

Next Generation Lithium Producer

Kathleen Valley Lithium Project

Maiden Mineral Resource:

- **21.2Mt @ 1.4% Li_2O and 170ppm Ta_2O_5**
- **75% Measured and Indicated**
- **Located on granted mining leases**
- **Close to established infrastructure**

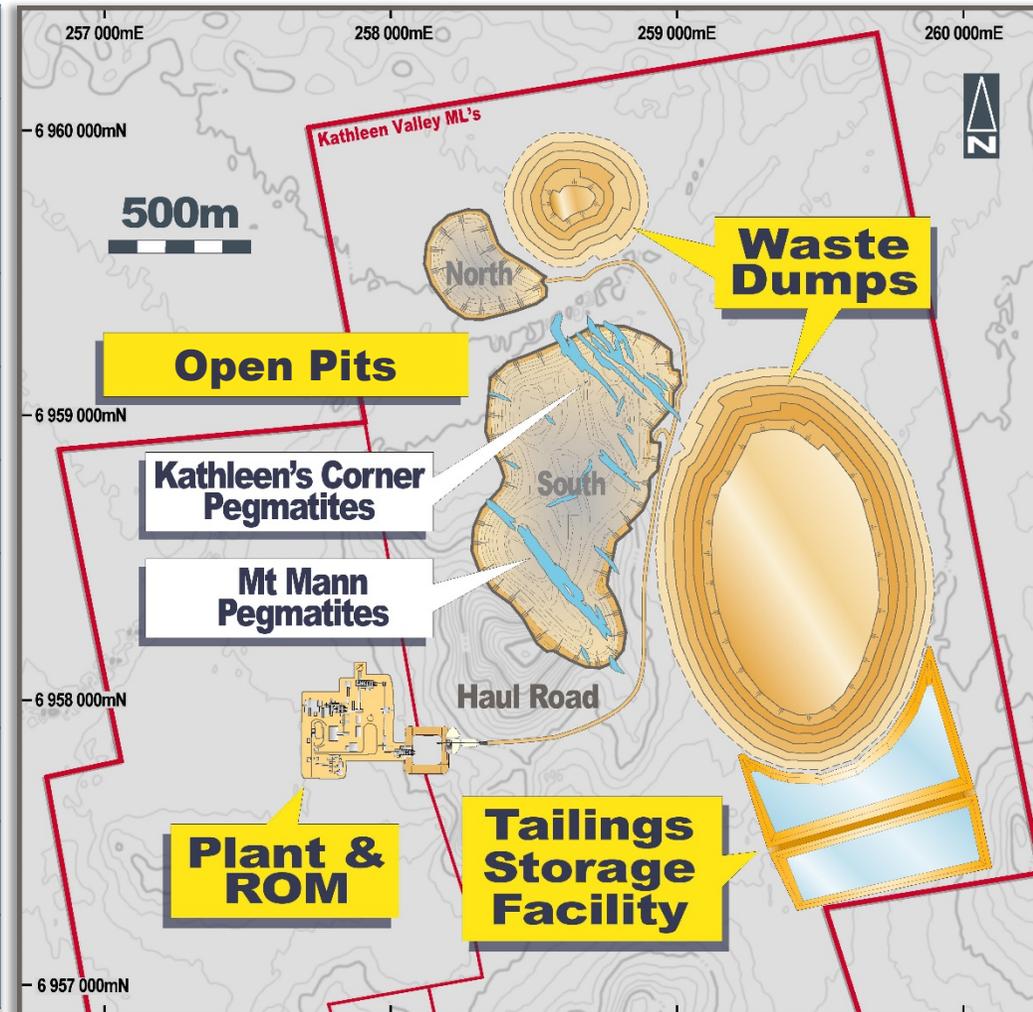


- Scoping study confirms potential for a commercially robust mining operation
- Resource expansion drilling in progress aimed at significantly extending mine life
- Comprehensive test work ongoing to optimize grade and recoveries
- Feasibility studies scheduled for completion by Q1 2020

Strategically located in the lithium-rich Eastern Goldfields region of Western Australia

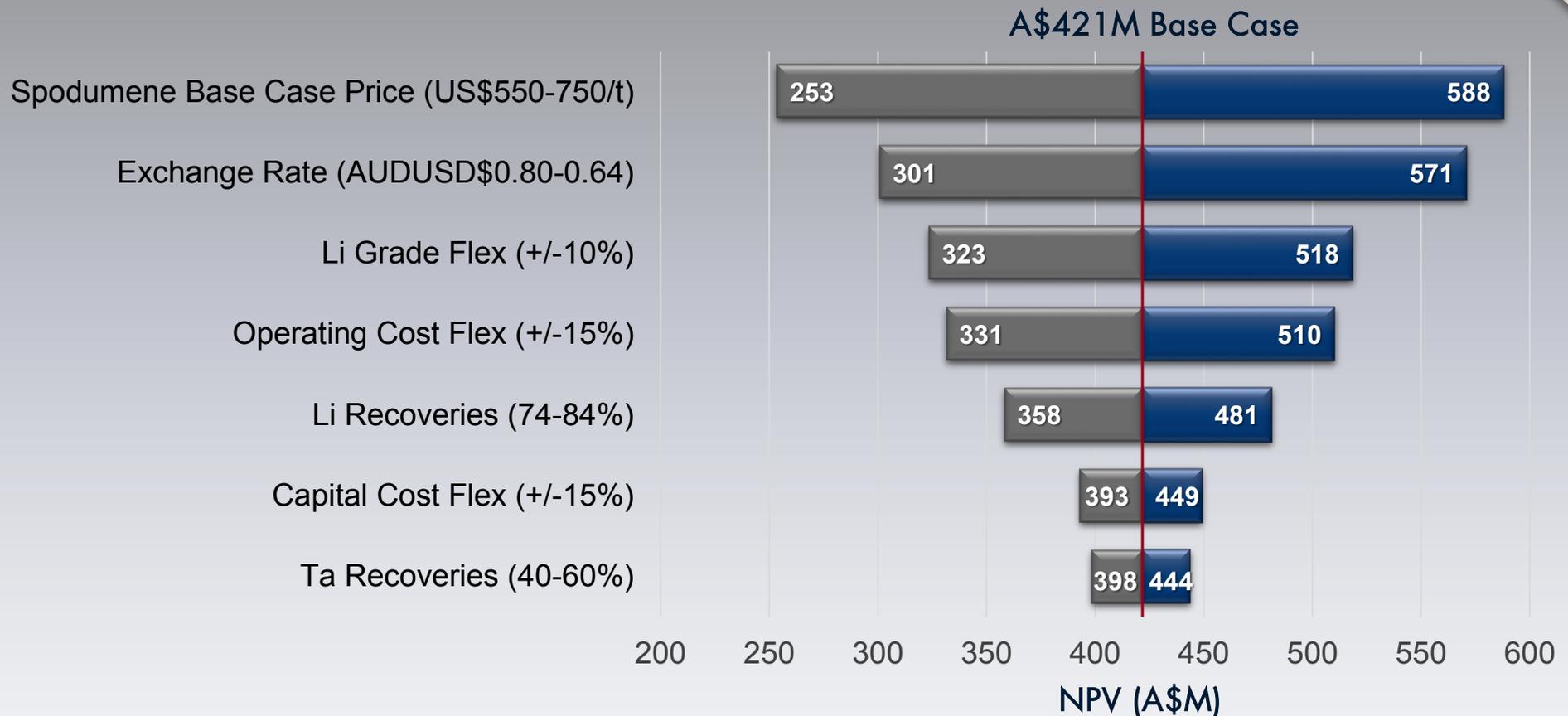
Scoping Study Supports Potential To Develop A Standalone Lithium Mining and Processing Operation

Base Case	2Mtpa (Li & Ta)
NPV _(8%, real, post tax)	A\$421M (Range of A\$316 to A\$526M)
IRR	38%
Payback	<3 years
Mine Life	9 years
Average LOM Opex	~A\$428/t conc. (net of Ta credits)
Annual Production	~360kt concentrate
LOM Spodumene Price	A\$900 (US\$650/t) FOB
Capex	~A\$232M



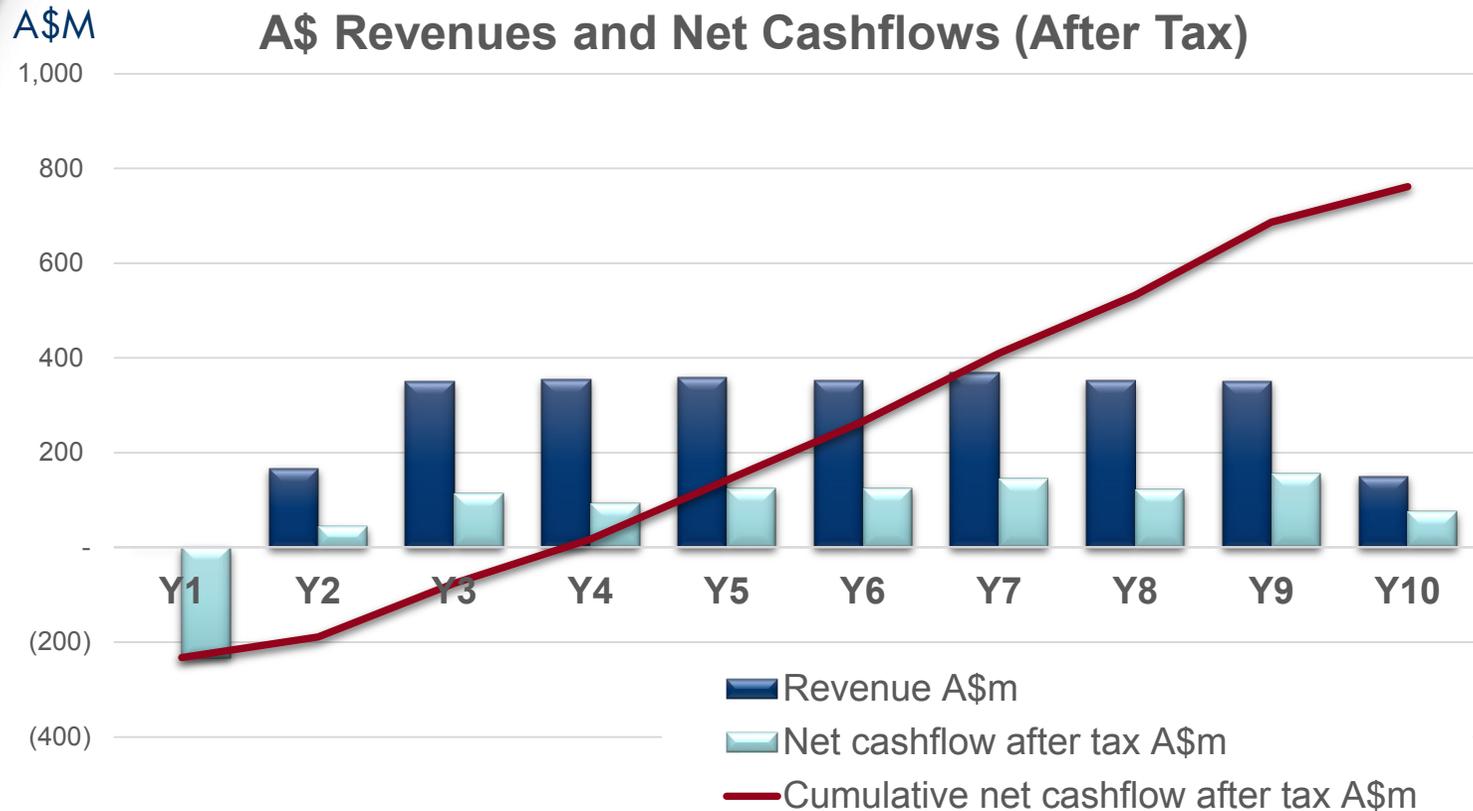
Financial Sensitivity – Robust Project

Kathleen Valley Project - NPV Sensitivity Analysis (A\$M)



Cash Flow Profile

<3 Year Payback Period



Scoping study suggests Life of Mine free cash flow of ~A\$762M

Cash Flow Per Year

Scoping study suggests average free cash flow of >A\$100M per year



Resources and Mining



Global resource 21.2Mt @ 1.4% Li_2O and 170ppm Ta_2O_5



75% Measured and Indicated



Scoping study Production Target of 15.7Mt @ 1.26% Li_2O and 154ppm Ta_2O_5



Open pits largely constrained by limit of data



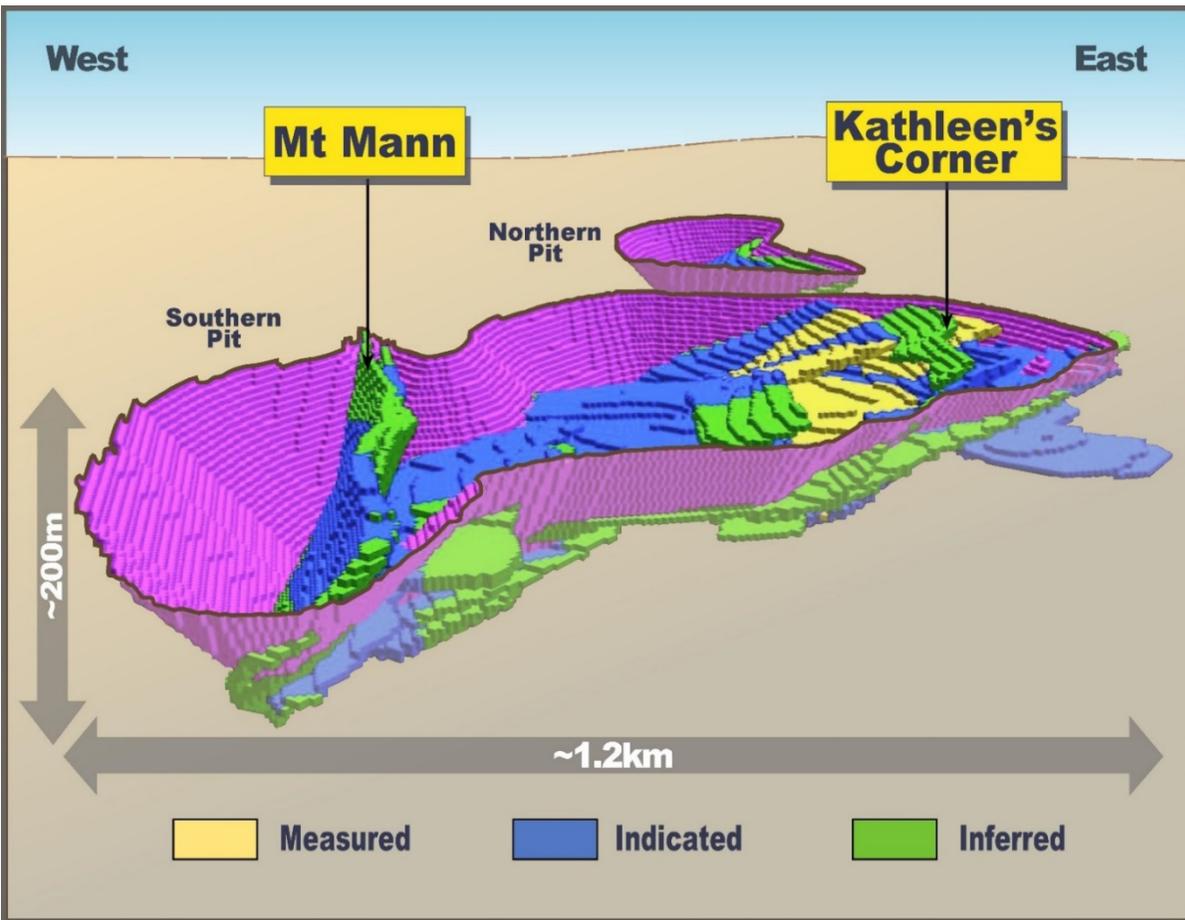
Conventional open pit mining and processing



Favourable location close to established infrastructure



Access to world-class expertise and work force



Metallurgy And Flowsheet – Preliminary Test Work Confirms a Saleable Li_2O Concentrate Can Be Produced

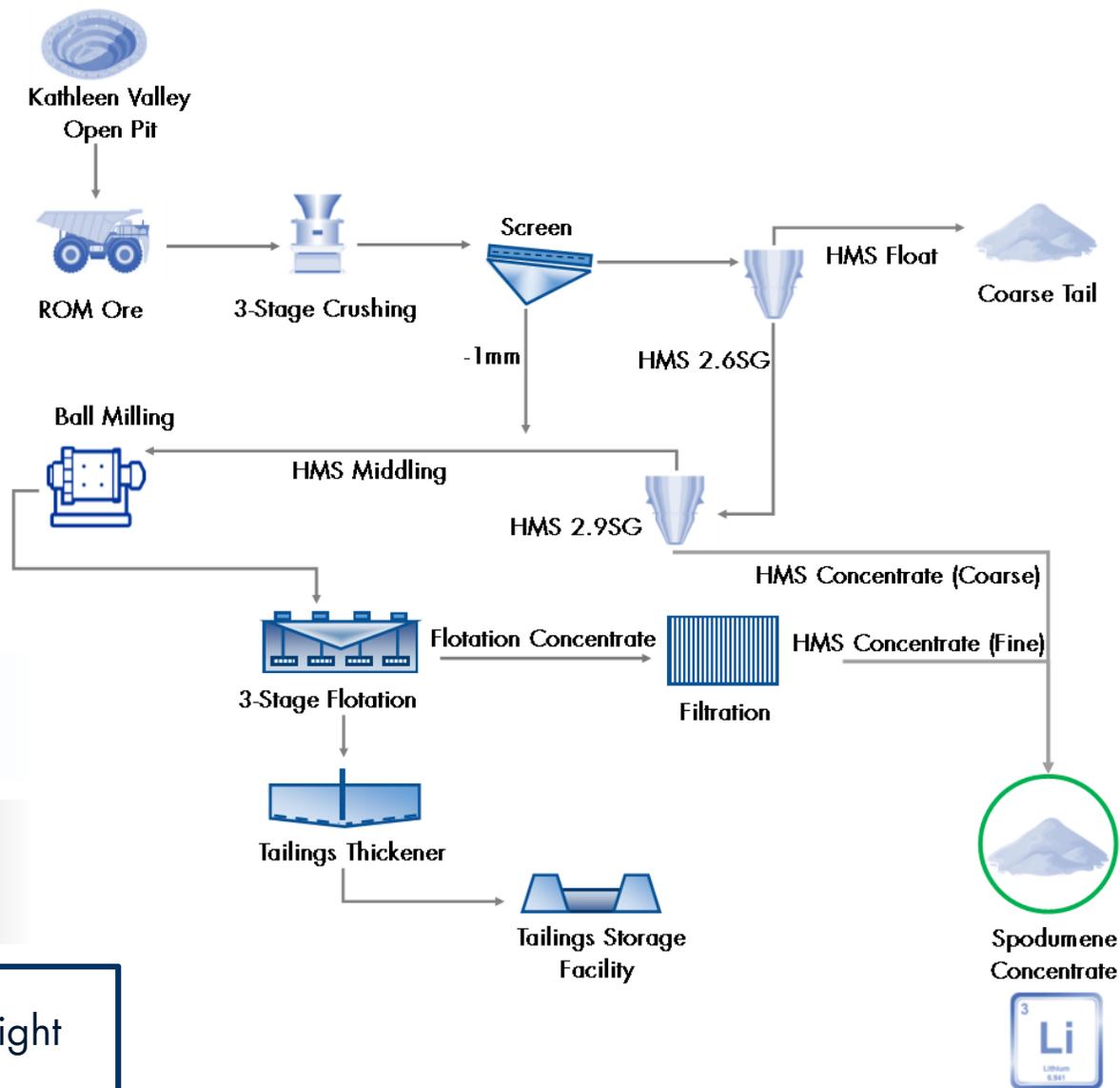
Key outcomes

- 5.9% Li_2O from DMS conc.
- 36% mass rejection from 2-stage DMS
- 5.5% Li_2O from flotation
- Low iron (<0.5% Fe_2O_3)
- Predicted 79% Li_2O recovery
- Preliminary Ta_2O_5 conc.

Preliminary results unoptimised and very encouraging

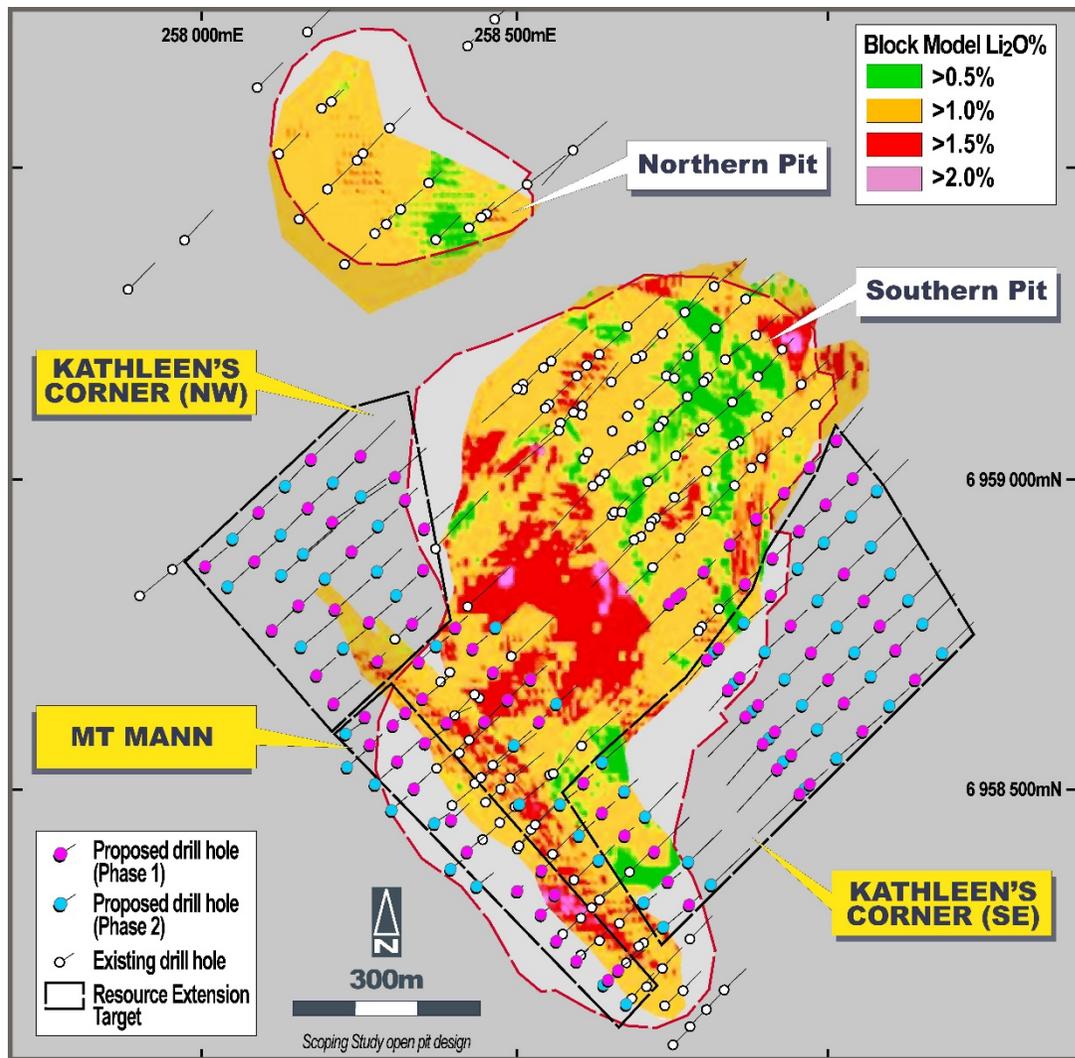
Additional test work in progress on a further 4 tonnes of sample

High priority placed on getting metallurgy right





Next Steps – Unlocking Further Value



Resource Growth

- ~16,000m RC drilling program in progress
- Testing immediate extensions of block model
- Targeting additional 8.5 – 16Mt @ 1.2 – 1.5% Li₂O*
- Potential to significantly increase mine life

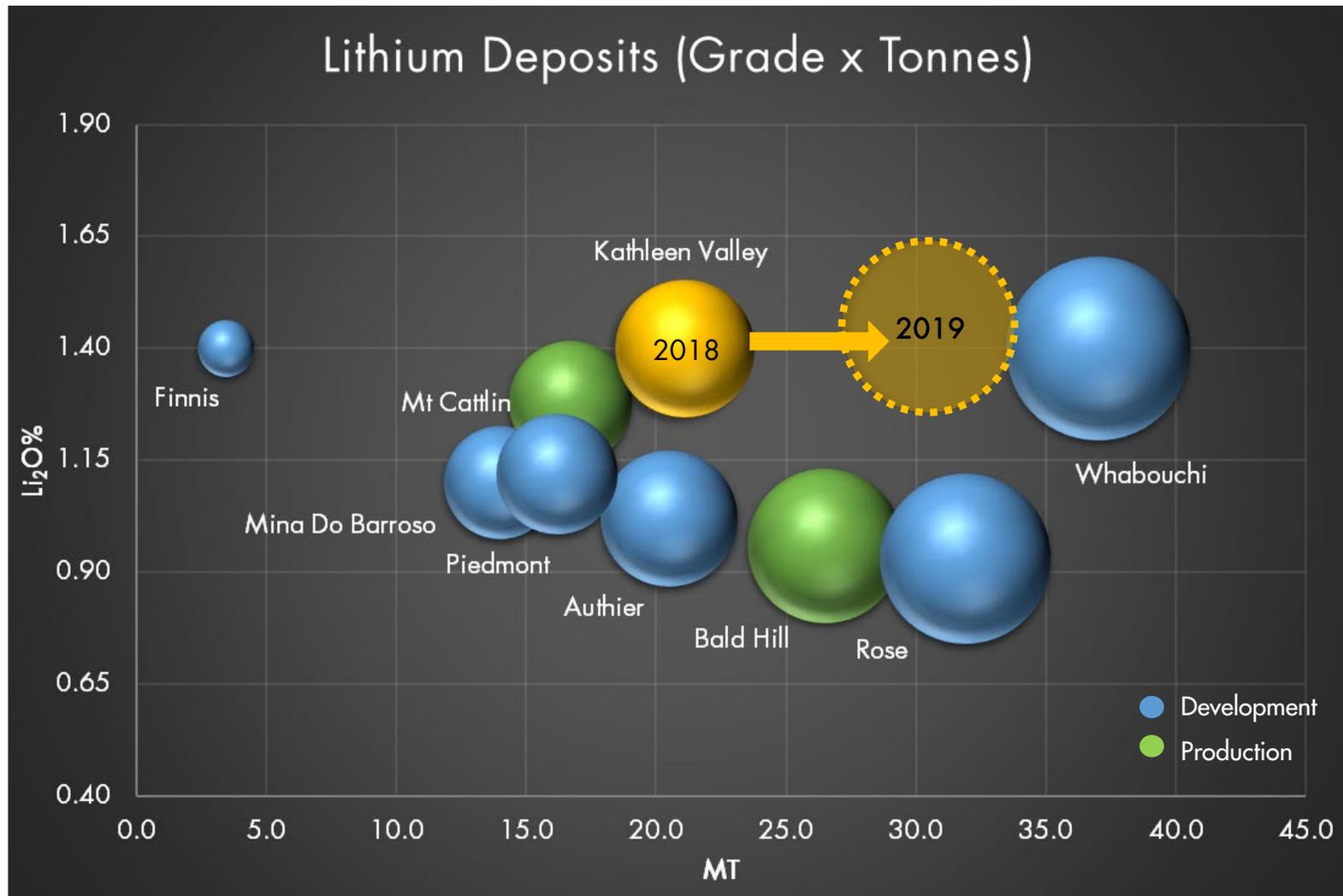


Metallurgy

- Optimise unit processes to produce 6% Li₂O concentrate
- Confirm tantalum recovery
- Provide samples for potential offtake partners

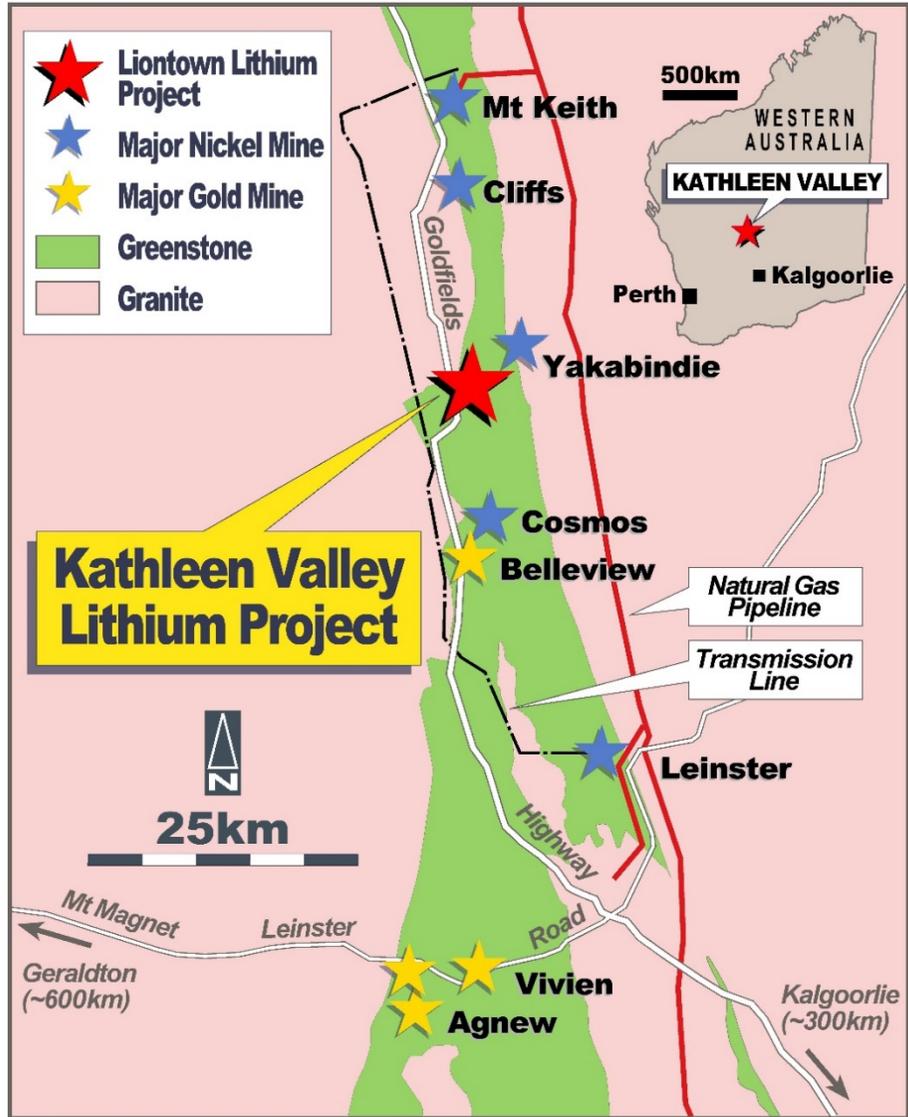
*The potential grade and tonnage of the exploration target referred to above is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. See Appendix for full explanation of assumptions used to estimate ranges.

High Grade Compared With Most Peers - Plus Potential to Grow



* Resources as at 24 January 2019 (Sourced from company websites)

Investment Case



Robust, high grade resource



First world location and expertise



Active, well serviced mining region



Conventional mining and processing



Resource upside – 16,000m RC drilling program in progress



Strong focus on optimising recoveries – further test work in progress



Very experienced, well-credentialed management team



Further feasibility studies ongoing



Highly positive financial outcomes from Scoping Study

A Proven, Experienced Board



DAVID RICHARDS
Managing Director

- +35 years experience
- Discovered Vera Nancy Gold Deposits



TIM GOYDER
Chairman

- +40 years experience
- Executive Chairman Challice Gold Mines



CRAIG WILLIAMS
Non-Executive Director

- +40 years experience
- Founder and CEO of Equinox Minerals



ANTHONY CIPRIANO
Non-Executive Director

- +30 years experience
- Former Senior Partner at Deloitte



STEVE CHADWICK
Non-Executive Director

- +40 years experience
- Director of Lycopodium Minerals

Corporate Snapshot

ASX CODE	LTR
SHARES ON ISSUE	~1,134M
MARKET CAPITALISATION	\$28M (AT ~2.5CPS)
MAJOR SHAREHOLDER	TIM GOYDER ~20%
TOP 20 SHAREHOLDERS	50.8%

Liontown



EMAIL
info@ltresources.com.au



WEBSITE:
www.ltresources.com.au



OFFICE
Level 2, 1292 Hay St
West Perth WA 6005



PHONE NUMBER
08 9322 7431

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<https://au.linkedin.com/company/liontown-resources-limited>



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APPENDIX



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Scoping Study – Key Parameters And Assumptions



Parameter	
General and Economic	
Discount rate (real, post tax)	8%
Spodumene concentrate price	US\$650 per tonne FOB
Tantalum concentrate price (contained Ta ₂ O ₅)	US\$71 per pound FOB
Exchange rate – AUD/USD	0.72
Mining and Production	
Average Life-of-Mine strip ratio	8.24:1
Processing rate	2Mtpa
Life-of-Mine Production Target	15.7Mt ore
Average Li ₂ O grade (diluted)	1.26%
Average Ta ₂ O ₅ grade (diluted)	154ppm
Li ₂ O recoveries	79%
Ta ₂ O ₅ recoveries	50%
Spodumene concentrate grade	5.6%
Tantalite concentrate grade	30%
Moisture content of concentrate	13%

Parameter	
Cost Assumptions	
LOM average open pit mining costs (\$/t ore mined)	A\$37.72
LOM average processing cost (\$/t ore milled)	A\$19.32
Logistics and transport (\$/t concentrate)	A\$75.65
General and admin (\$/t ore milled)	A\$6.01
Western Australia State royalty	5%
Other royalties	3% gross sales and \$0.5/t ore mined
Corporate tax rate	30%
Estimated opening tax losses available	A\$25M



Scoping Study – LoM Financials And Capital Expenditure



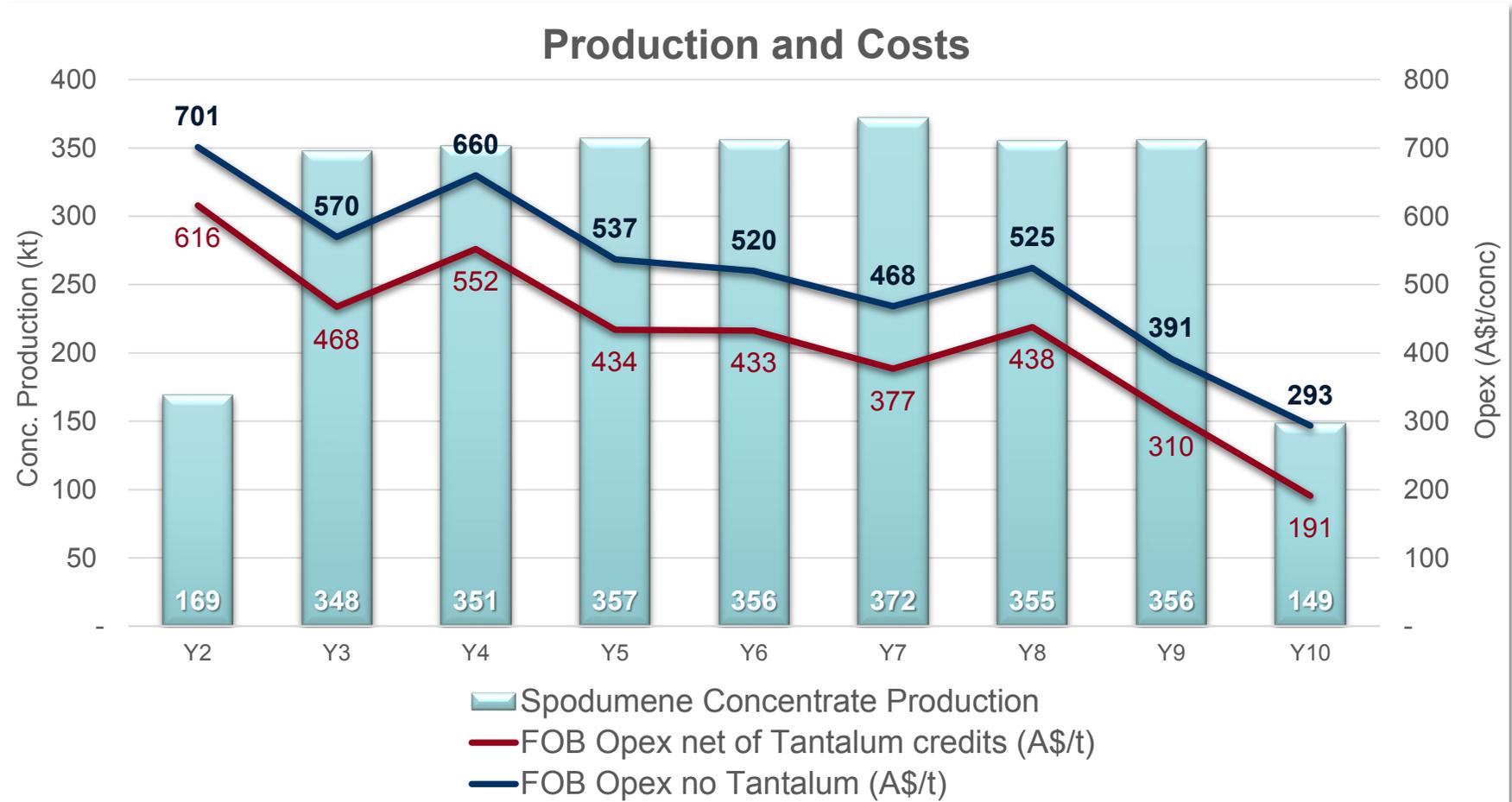
Life of Mine Financials

	A\$M
Revenues	2,802
Operating costs	(1,236)
Capital expenditure	
- pre-production	(232)
- sustaining	(25)
Royalties	(232)
Corporate tax	(315)
Life of Mine Project Free Cash flow	762

Capital Costs Summary

Main Area	Capital (A\$M)
Treatment Plant	82.8
Reagents & Plant Services	9.5
Infrastructure – general	39.9
Mining	6.1
Contractor and Construction	18.6
Indirects	
Subtotal	156.9
Management Costs	20.6
Owners Costs	14.4
Subtotal	35.0
Contingency	40.3
Project Total	232.2

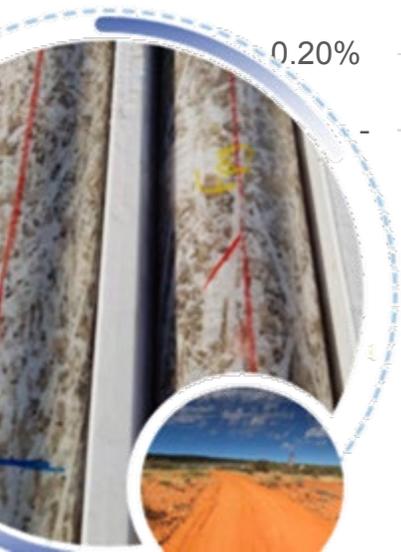
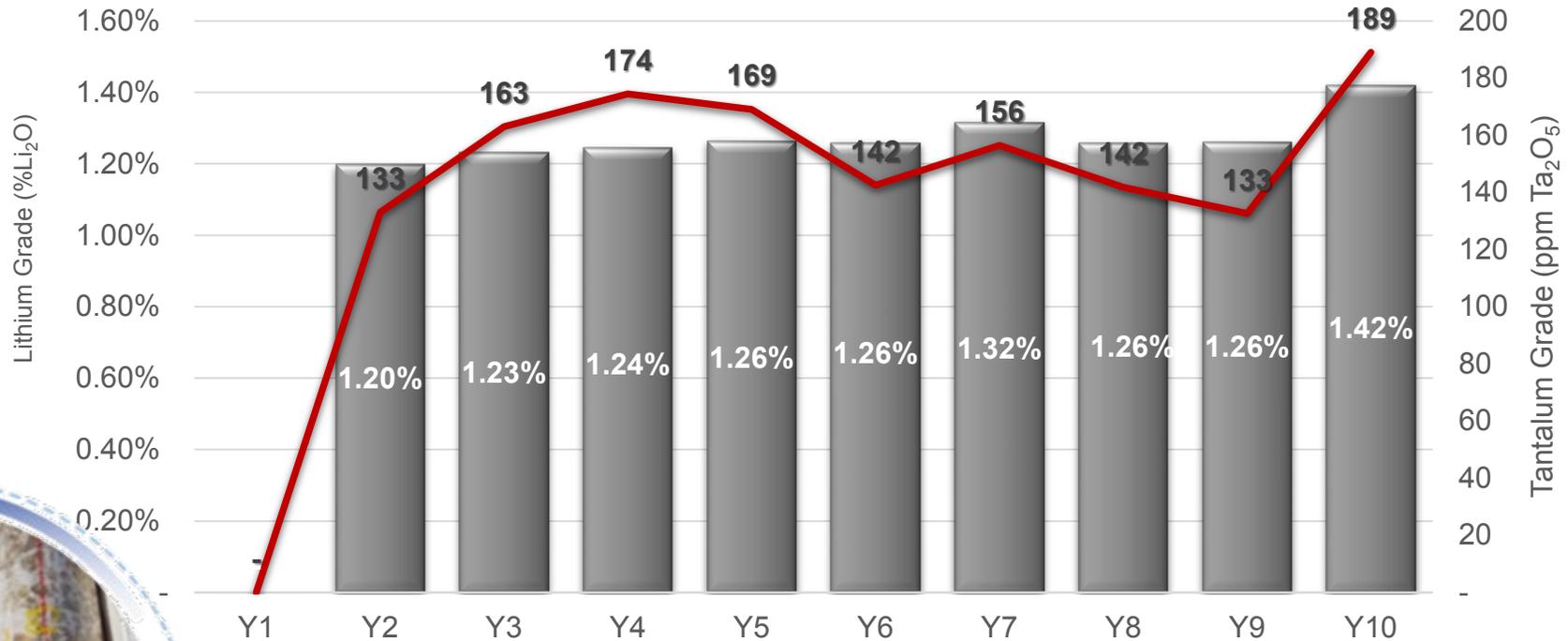
Scoping Study – Production And Costs



Scoping Study – Grade Profiles



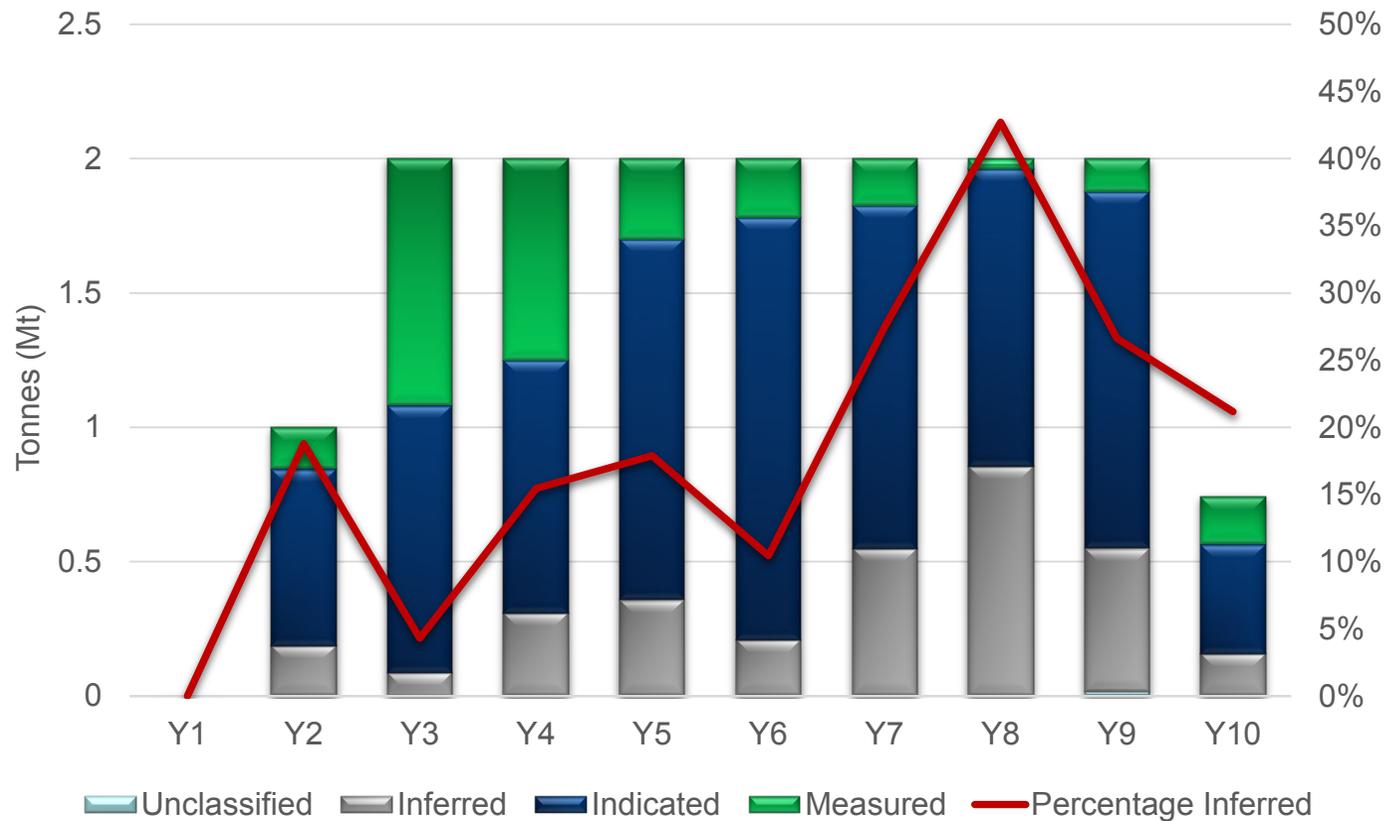
LOM Lithium and Tantalum Grade Profile



Scoping Study – Production Classification



Production Classification by Year



Exploration Target Parameters and Assumptions



Parameter	Mt Mann	Kathleen's Corner (NW)	Kathleen's Corner (SE)	Rationale
Combined strike length of pegmatites	700 – 800m	300	200	Based on previous drilling and extrapolation of block model used in preparation of maiden Mineral Resource Estimate (released 4 th September 2018)
Average cumulative true width	12 – 20m	12 -18m	10 - 15m	
Down Dip extent	100 – 125m	250 – 350m	500 - 600m	
Specific gravity	2.75	2.75	2.75	Measured from diamond core drilling
Total tonnage	2.3 – 5.5Mt	2.5 – 5.2Mt	4.1 – 5.0Mt	Strike x width x dip x S.G
Average grade	1.2 – 1.5%	1.2 – 1.5%	1.2 – 1.5%	Based on maiden Mineral Resource Estimate



The grade and tonnage ranges referred to above are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

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