

Liontown maintains strong momentum at Kathleen Valley with key milestones achieved including positive PFS and maiden 50Mt Ore Reserve

HIGHLIGHTS

KATHLEEN VALLEY LITHIUM PROJECT (Western Australia: 100%)

- Pre-Feasibility Study (PFS) confirms the technical and financial viability of a standalone 2Mtpa mining and processing operation based on a maiden Ore Reserve of **50.4Mt @ 1.2% Li₂O**.
- Ore Reserve underpins a 26-year mine life with further growth expected from an ongoing drilling program, the results of which will be incorporated into an updated Mineral Resource Estimate (MRE) and subsequent Definitive Feasibility Study (DFS).
- Metallurgical test work confirms the ability to produce a +6% Li₂O spodumene concentrate with an estimated recovery of 76%.
- Key financial outcomes of the PFS include:
 - LOM free cash flow after-tax of A\$1.94B (averaging ~A\$84M per annum during production);
 - Project payback of approximately 4 years post production;
 - Post-tax NPV_{8%(real)} of A\$507M and IRR of 25%;
 - Pre-production capital expenditure of A\$240.5M; and
 - Cash costs of A\$564/dmt Li₂O concentrate (excluding tantalum credits).
- Latest drill results confirm potential for a significantly expanded MRE with recent intersections including:
 - **31m @ 1.8% Li₂O from 215m** (KVRC0086A), including **10m @ 2.0% Li₂O from 216m** and **6m @ 2.3% Li₂O from 230m**;
 - **30m @ 1.8% Li₂O from 190m** (KVRC0085A), including **12m @ 2.0% Li₂O from 191m**;
 - **13m @ 1.8% Li₂O from 264m** (KVRC0148A), including **6m @ 2.9% Li₂O from 266m**;
 - **12m @ 3.1% Li₂O from 218m** (KVRC0266), including **9m @ 3.8% Li₂O from 219m**
 - **64m @ 1.2% Li₂O from 321m** (KVDD0045), including: **9m @ 1.9% Li₂O from 342m** and **10m @ 1.9% Li₂O from 362m**
 - **55m @ 1.7% Li₂O from 301m** (KVDD0046), including **6.2m @ 2.5% Li₂O from 301.8**, **13m @ 2.2% Li₂O from 312m** and **9m @ 2.2% Li₂O from 339m**

BULDANIA LITHIUM PROJECT (Western Australia: 100%)

- Maiden Indicated and Inferred MRE completed for the Buldania Lithium Project:
 - **14.9Mt @ 0.97% Li₂O and 44ppm Ta₂O₅**
- 60% of the Mineral Resource classified as Indicated.



Up to six drill rigs onsite at Kathleen Valley in Q1 2020

INVESTMENT HIGHLIGHTS

- PFS for Kathleen Valley Lithium-Tantalum Project produces ~50Mt maiden Ore Reserve with strong potential for expansion.
- Maiden ~15Mt MRE completed for the Buldania Lithium Project.



Chairman Tim Goyder and Managing Director David Richards at Kathleen Valley

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PROJECTS

1. Kathleen Valley Lithium Project, WA (Liontown: 100%)

The Kathleen Valley Project is located in Western Australia, ~680km north-east of Perth and ~350km north-northwest of Kalgoorlie, within the Eastern Goldfields of the Archaean Yilgarn Craton (**Figure 1**). Liontown commenced work at Kathleen Valley in 2017 and multiple drilling programs have resulted in the completion of positive PFS with a maiden Ore Reserve of **50.4Mt @ 1.2% Li₂O**.

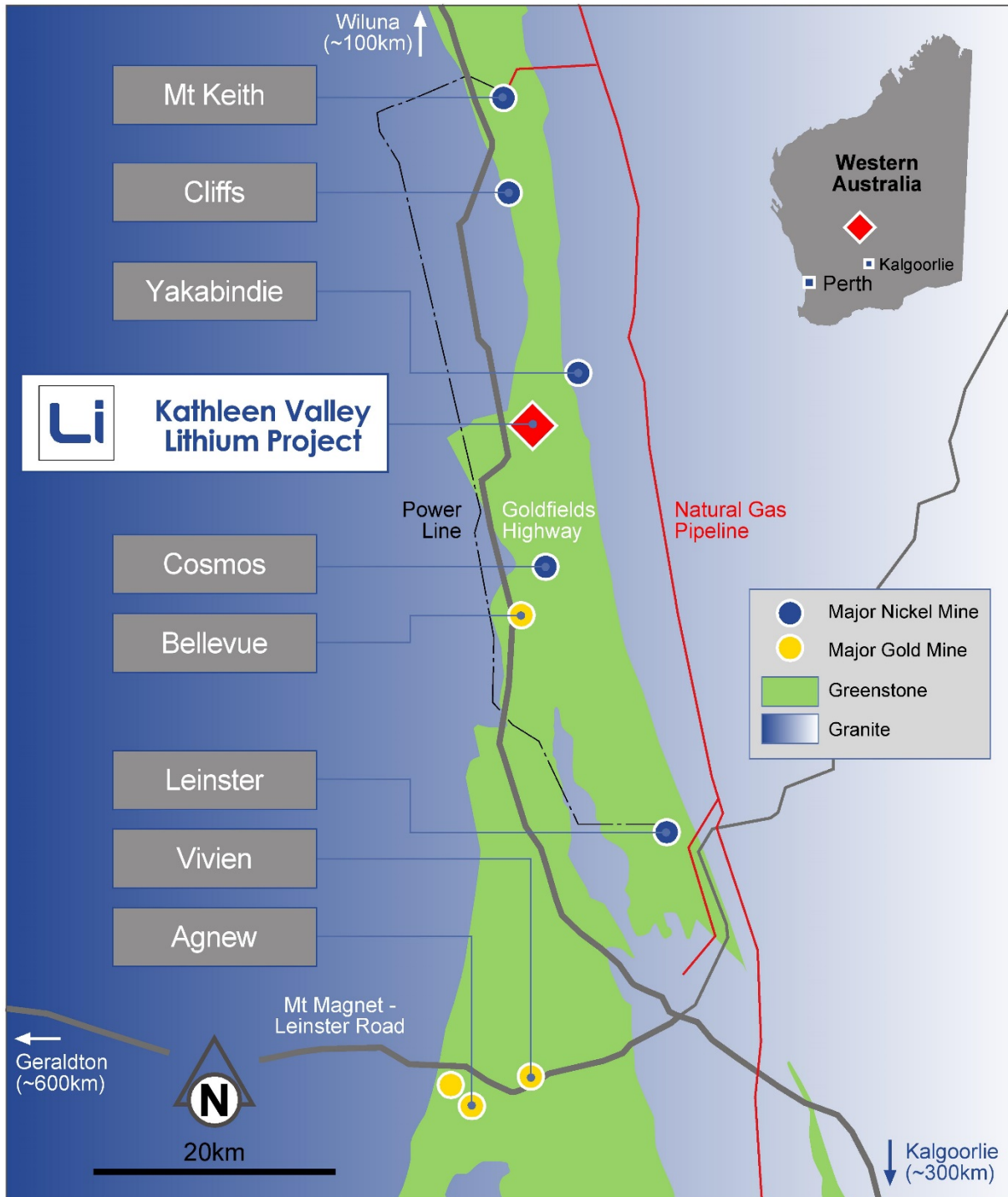


Figure 1: Kathleen Valley Lithium Project – Location and Geology Plan.

Following the updated Mineral Resource Estimate (MRE) reported in July 2019 and a highly successful capital raising in August 2019, LioneTown has continued to fast-track the Kathleen Valley Project with activities during the Quarter including the completion of a Pre-Feasibility Study (PFS) and additional resource definition drilling.

PRE-FEASIBILITY STUDY

The PFS includes a maiden Ore Reserve of **50.4Mt @ 1.2% Li₂O** which will underpin a 2Mtpa mining and processing operation over a 26-year mine life. The Ore Reserve was based on the July 2019 MRE of 74.9Mt @ 1.3% Li₂O and 140ppm Ta₂O₅.

The PFS evaluated the establishment of a 2Mtpa mining and processing operation delivering 295ktpa of spodumene concentrate. Following conventional open pit mining and delivery to the Run-of-Mine pad, ore will be processed to produce spodumene concentrate which will then be transported in bulk for delivery to downstream customers. **Figure 2** shows the proposed site layout including mining areas, processing facilities and non-process infrastructure.

Maiden Ore Reserve

Orelogy Consulting Pty Ltd was responsible for the mining component of the Kathleen Valley Lithium Project PFS. As such, Orelogy developed a maiden Ore Reserve estimate for the Kathleen Valley open pits as at 30 November 2019 in accordance with the guidelines of the JORC Code 2012.

The Ore Reserve is based on the MRE update released on the 9th July 2019. The Measured, Indicated and Inferred Mineral Resource was prepared by independent specialist resource and mining consulting group Optiro Pty Ltd ("Optiro") and is summarised in **Table 1**.

Table 1: Kathleen Valley Project – Mineral Resource Estimate (July 2019)

Cut-off grade Li ₂ O %	Resource Category	Million tonnes	Li ₂ O %	Ta ₂ O ₅ ppm
0.5	Measured	17.6	1.3	160
	Indicated	42.2	1.3	140
	Inferred	10.1	1.1	150
	Sub-total	69.9	1.3	150
0.7	Indicated	2.5	1.4	120
	Inferred	2.5	1.3	110
	Sub-total	5.0	1.4	110
Total		74.9	1.3	140

- Notes:
- Reported above a Li₂O cut-off grade of 0.5% for open pit potential (above 200 mRL) or 0.7% for underground potential (below 200 mRL).
 - Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

The Mineral Resource estimate is reported and classified in accordance with the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2012). The Mineral Resource is inclusive of the Ore Reserve.

The Ore Reserve prepared by Orelogy is summarised in **Table 2**.

Table 2: Kathleen Valley Project – Ore Reserve Estimate (November 2019)

Category	Tonnage (Mt)	Li ₂ O (%)	Li ₂ O (T)
Proved	17.1	1.2	204,000
Probable	33.3	1.2	399,600
TOTAL	50.4	1.2	603,600

- Notes:
- Tonnages and grades are diluted and reported above a Li₂O cut-off grade of 0.5%.
 - Tonnages and grades have been rounded.

Mineral Resources were converted to Ore Reserves in line with the material classifications which reflect the level of confidence within the resource estimate. The Ore Reserve reflects that portion of the Mineral Resource which can be economically extracted by open pit mining methods.

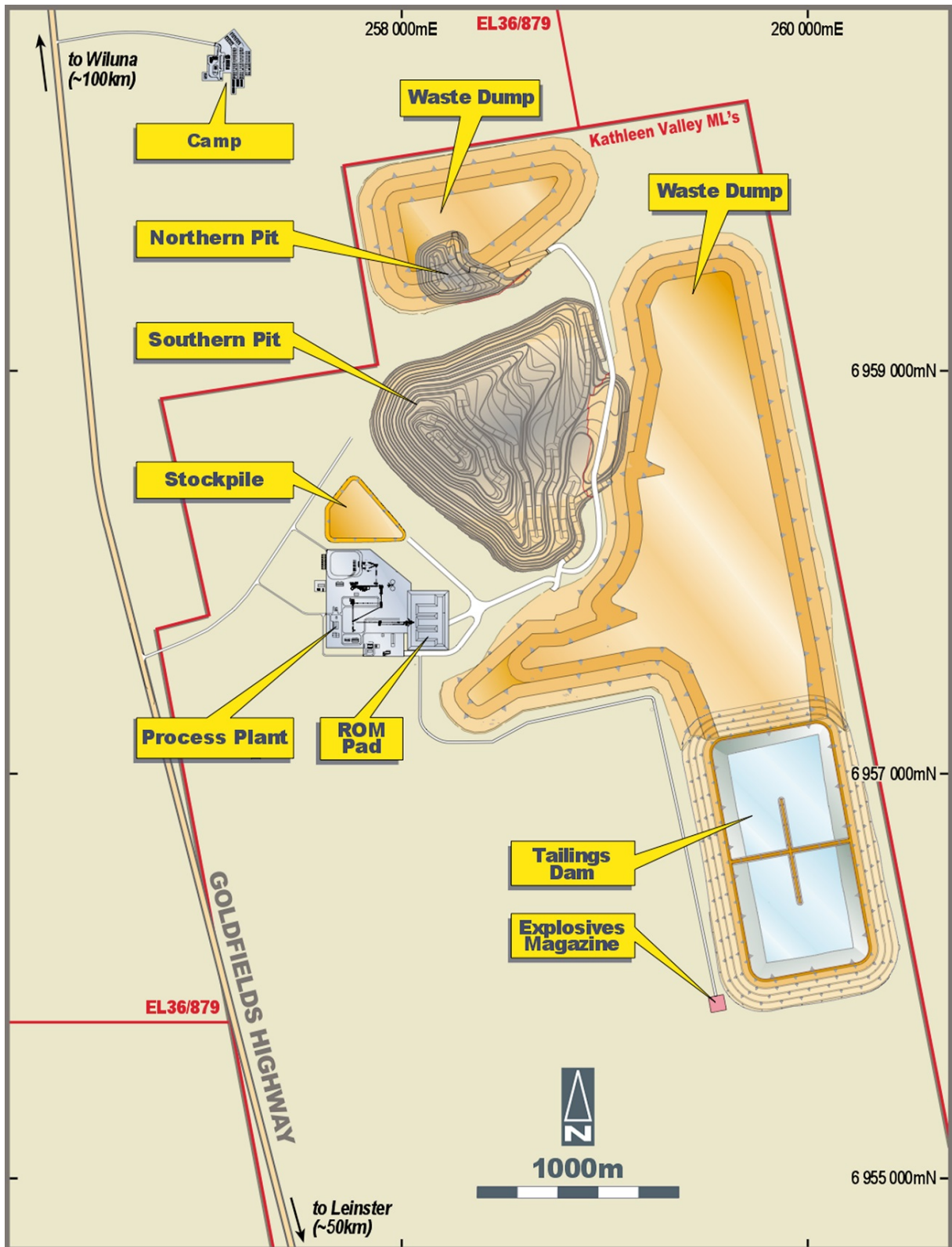


Figure 2: Kathleen Valley Project – Proposed mine site layout.

PFS Financial Outcomes

Based on a proposed 2Mtpa standalone mining and processing operation, the PFS has demonstrated strong financial metrics for the Kathleen Valley Project as summarised below in **Table 3** and **Figure 3**:

Table 3: Kathleen Valley Project – Base Case Key Metrics (Open Pit – Lithium Only)

Study Outcomes	PFS
Post-tax NPV ^{8%} (real, post-tax)	Base case NPV of A\$507M
Internal Rate of Return (IRR)	Base case IRR of 25%
Payback period	4 years post production
Life of mine (LOM)	26 years (including ramp-up)
Pre-production capital cost	A\$240.5M including A\$31.1M in contingency
Average LOM cash operating costs ¹	~US\$406/dmt (A\$564) of spodumene concentrate (excluding tantalum credits)
Average steady state production	295 ktpa of spodumene concentrate

¹ Cash operating costs include all mining, processing, transport, state and private royalties, freight to port, port costs and site administration and overhead costs

The production targets are based solely on the reported Ore Reserves (33.9% Proved, 66.1% Probable) which have been prepared by a Competent Person in accordance with the requirements of the 2012 JORC Code.

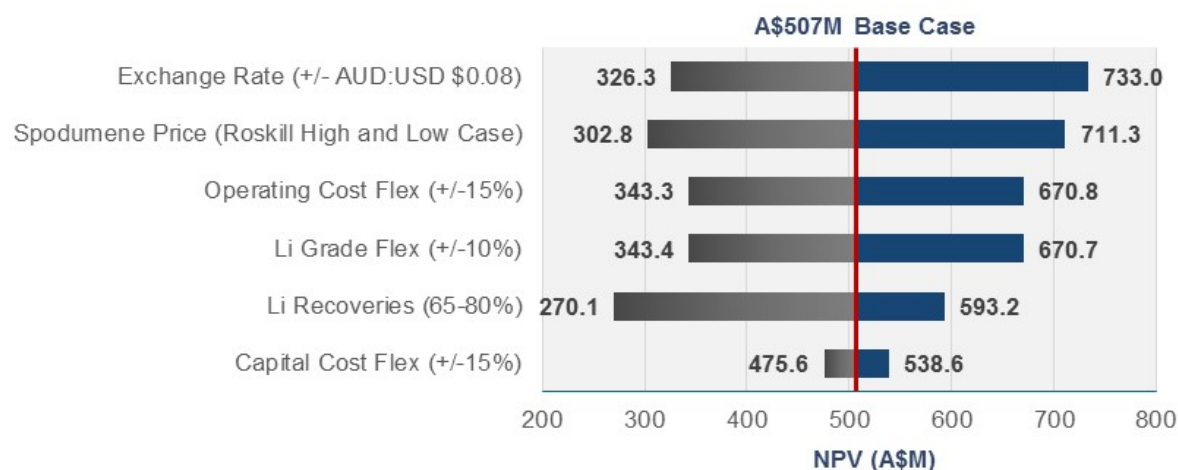


Figure 3: Kathleen Valley Project – NPV Sensitivity Analysis

The base case for the PFS assumes recovery of lithium only as the test work programme required to confirm the recovery and grade obtainable from the inclusion of a tantalum circuit is scheduled for inclusion in the DFS, set to commence during 2020.

As a result, the PFS does not incorporate the potential tantalum circuit in the project capital, operating costs or revenue (as credits to operating costs). The Kathleen Valley deposit is geologically similar to operating hard rock lithium and tantalum mines in Western Australia and the production of tantalum concentrate, which is considered possible, has the potential to substantially enhance project economics.

The PFS was completed to an overall +/- 25% accuracy using the key parameters and assumptions set out in **Table 4** below.

Table 4: PFS Key Parameters and Assumptions v Scoping Study (January 2019)

Parameter		
General and Economic	PFS	Scoping Study
Discount rate (real, post-tax)	8%	8%
Spodumene concentrate price (per tonne FOB Geraldton)	Roskill and Liontown Forecast (see below) resulting in a LOM average of US\$690/dmt for a 6.0% Li ₂ O concentrate. The pro-rata 6.1% Li ₂ O concentrate LOM average price is US\$701/dmt.	US\$696/dmt for a 6.0% Li ₂ O concentrate. The pro-rata 5.6% Li ₂ O concentrate price is US\$650/dmt.
Exchange rate – AUD/USD	0.72	0.72
Mining and Production		
Average Life-of-Mine strip ratio	7.7:1	8.2:1
Processing rate	2 Mtpa	2 Mtpa
Life-of-Mine Production Target	50.4 Mt ore	15.7 Mt ore
Average Li ₂ O grade (diluted)	1.18%	1.26%
Li ₂ O recoveries	76%	79%
Spodumene concentrate grade	6.1%	5.6%
Moisture content of concentrate	9%	13%
Cost Assumptions		
LOM average open pit mining costs (\$/dmt ore processed)	A\$35.12*	A\$37.72
LOM average processing cost (\$/dmt ore processed)	A\$18.20	A\$19.32
Logistics and transport (\$/wmt concentrate)	A\$77.26	A\$75.65
General and admin (\$/dmt ore processed)	A\$4.71	A\$6.01
Western Australia State royalty	5%	5%
Other royalties	3% gross sales and \$0.5/t ore mined	3% gross sales and \$0.5/t ore mined
Corporate tax rate	30%	30%
Estimated opening tax losses available	A\$30M	A\$25M

* Includes DMS tails and ROM rehandle

Metallurgy

A total of 81 composited drill core samples were collected from across the three main areas (Mount Mann, Kathleen's Corner and North) for the PFS metallurgical test work programme. These samples include a range of grades and depths.

The metallurgical process proposed consisted of 3-stage comminution including high-pressure grinding rolls (HPGR) and dense medium separation (DMS) followed by flotation. This is a similar circuit to that used in several hard rock lithium mines currently operating in Western Australia.

The process has been tested at PFS level in the laboratory and the overall metallurgical recovery estimated from the flowsheet testing was 76% into a spodumene concentrate grading 6.1% Li₂O with chemical grade specifications achievable.

Opportunities to Increase Project Returns

Resource Expansion

The Mineral Resource Estimate (MRE) on which the PFS is based remains open along strike and at depth and a resource expansion drilling program is in progress to test for extensions of the mineralised system.

Prior to commencing the drilling program, LioneTown defined a resource extension Exploration Target of **25 – 50Mt @ 1.2 – 1.5% Li₂O** to test for extensions of the current MRE from the limits of previous drill data to a vertical depth of ~500m below surface (see ASX release dated 5th November 2019 for full explanation of assumptions used to estimate ranges). This Exploration Target is in addition to the current 74Mt MRE.

(The potential grade and tonnage of the Exploration Target is conceptual in nature and there has been insufficient exploration to estimate an expanded Mineral Resource. It is uncertain if further exploration will result in the estimation of an expanded Mineral Resource).

The initial drilling results, which are discussed further below, indicate that the Exploration Target is achievable and that the Mineral Resource is likely to be increased significantly.

An updated MRE will be prepared in Q1/Q2 2020 and this will be incorporated into the DFS, which will also consider the feasibility and economic impact of a concurrent underground mining operation. This will provide the opportunity to access the higher grade Mt Mann material, through an underground operation, in the first few years of operation, reducing the size of the open pit with a commensurate reduction in strip ratio. It will also provide the opportunity to increase the annual mining rate.

Tantalum Production

The inclusion of wet high intensity magnetic separation (WHIMS), pre-flotation, in the PFS test work programme successfully removed magnetic material as well as recovering and upgrading significant Ta₂O₅. A Ta₂O₅ concentrate was also produced from a flotation feed sample using a Wave Table.

Further test work is planned to optimise the recovery of Ta₂O₅ through magnetic and gravity separation in subsequent metallurgical programmes.

RESOURCE EXPANSION DRILLING

The current drilling program is designed to test for extensions of the July 2019 MRE down-dip and along strike. Since drilling recommenced in August 2019, 19 diamond core holes and 27 Reverse Circulation (RC) holes (including the re-entry of 11 pre-existing holes) have been drilled for 15,078m. A further 15,000 – 18,000m of combined diamond core/RC drilling is planned for Q1 2020 with up to six drill rigs contracted to undertake this work.

Results received during the Quarter confirm that significant widths of high-grade lithium mineralisation extend northwards beneath shallow soil cover (see highlights – KVR0085A, KVR0086A, KVR0148A and KVR0266) and that the thick (up to 75m wide) feeder zone defined in the southern part of the system continues at depth (see highlights – KVDD0045 and KVDD0046).

Mineralised pegmatites have now been intersected over a strike length of at least 1.7km with the mineralisation remaining open towards the north-west and at depth (**Figures 4 and 5**).

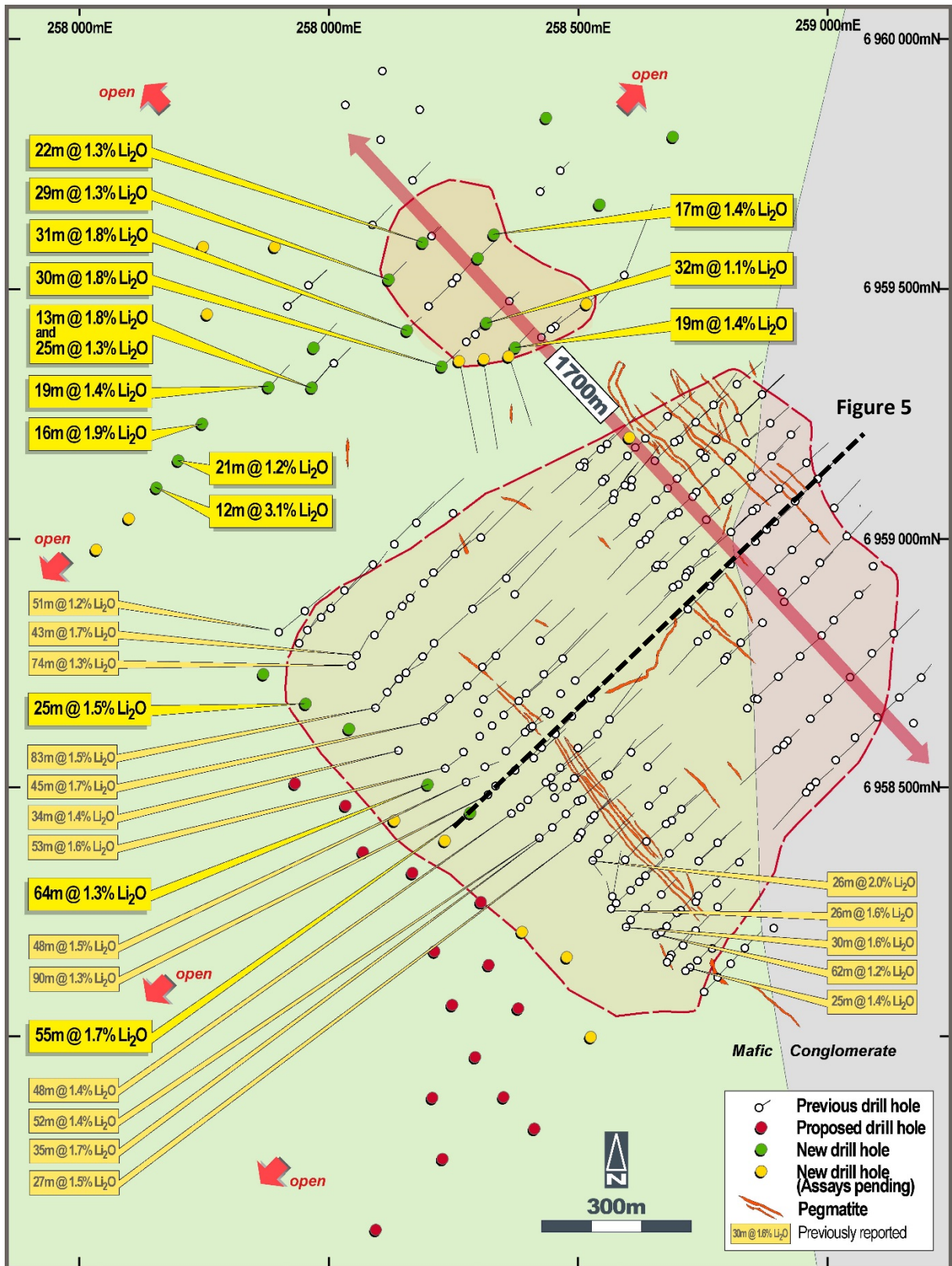


Figure 4: Kathleen Valley Project – Drill-hole plan showing better lithium intersections from current and previous drilling programs.

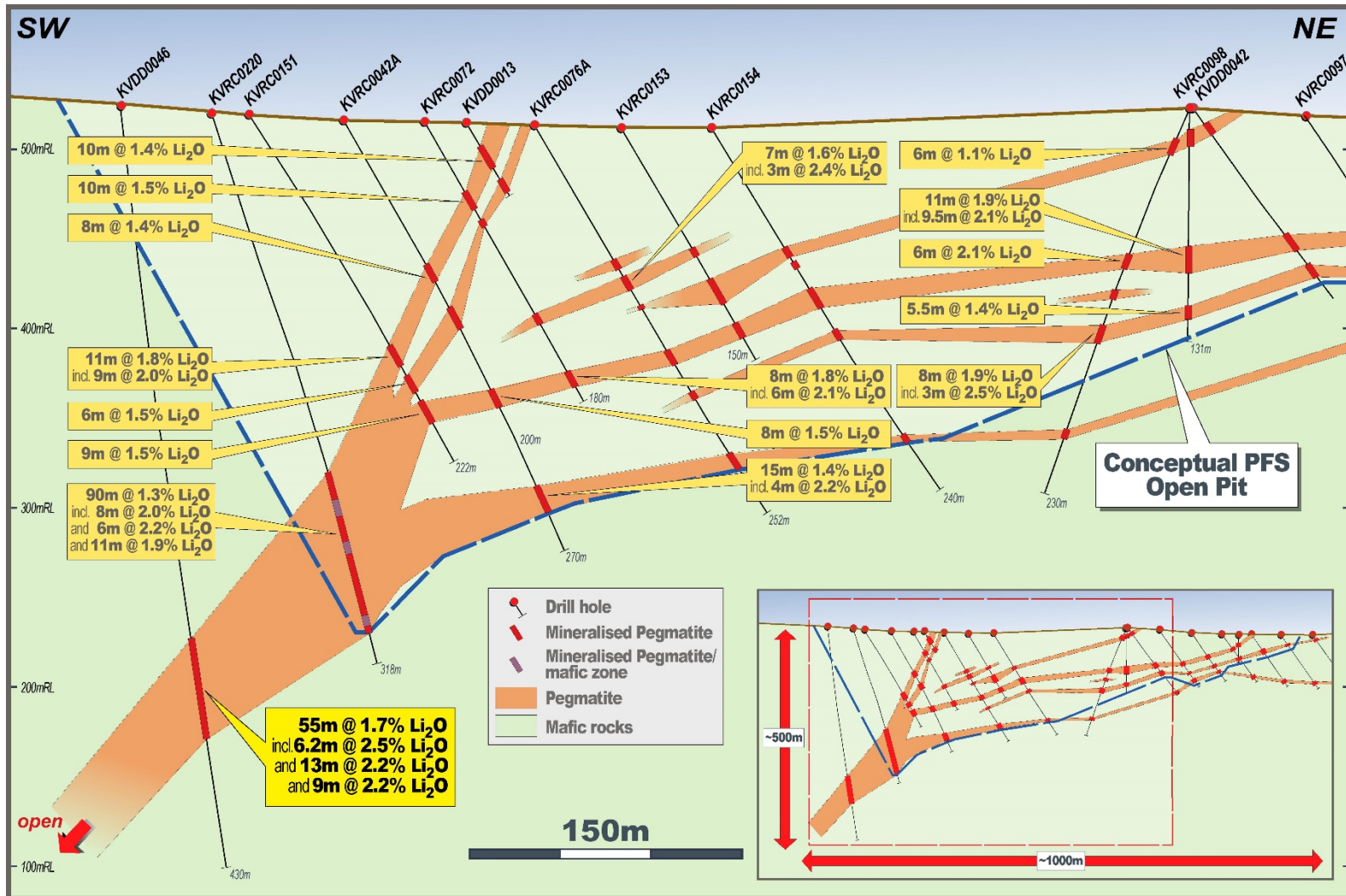


Figure 5: Kathleen Valley – Drill section showing new intersection (KVDD0046) confirming down dip extension of feeder zone (see Figure 4 for location).

2. Buldania Lithium Project, WA (Liontown: 100%)

The Buldania Project is located in the Eastern Goldfields, approximately 600km east of Perth and 200km north of the regional port of Esperance (Figure 6). Historical mapping and exploration delineated a large spodumene-bearing pegmatite swarm not previously assessed for lithium or associated rare metals. Drilling by Liontown has now defined a maiden Mineral Resource Estimate of ~15Mt @ 1% Li₂O at the Anna pegmatite.

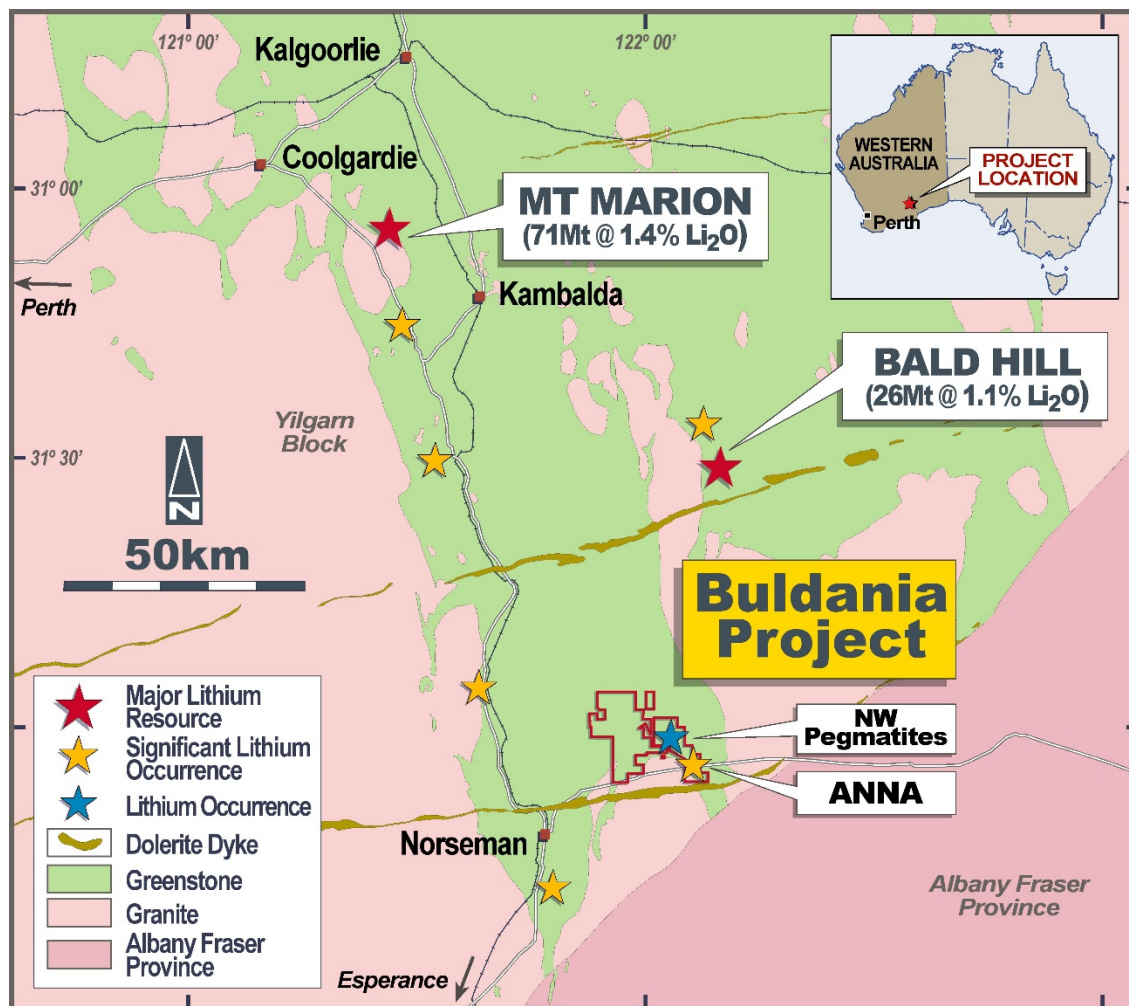


Figure 6: Buldania Project – Location, tenure and regional geology plan.

During the Quarter, Liontown engaged independent specialist resource and mining consulting group Optiro Pty Ltd (“Optiro”) to prepare a maiden MRE for the Anna lithium deposit at Buldania. The Indicated and Inferred Mineral Resource comprises 14.9Mt @ 0.97% Li₂O and 44ppm Ta₂O₅ and is set out in Tables 5 and 6 below:

Table 5: Anna Deposit, Buldania Project – Mineral Resource as at October 2019

Resource category	Million tonnes	Li ₂ O %	Ta ₂ O ₅ ppm
Indicated	9.1	0.98	45
Inferred	5.9	0.95	42
Total	14.9	0.97	44

Notes:

- Reported above a Li₂O cut-off grade of 0.5%
- Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate

Table 6: Buldania Project, Anna Deposit – Mineral Resource reported by Li₂O% cut-off grades

Cut-off Li ₂ O%	Million tonnes	Li ₂ O%	Ta ₂ O ₅ ppm
0.3	15.3	0.95	44
0.4	15.3	0.95	44
0.5	14.9	0.97	44
0.6	13.9	1.00	44
0.7	12.1	1.04	44
0.8	10.1	1.09	44
0.9	7.9	1.16	44
1.0	6.0	1.22	42

The Mineral Resource estimate is reported and classified in accordance with the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code; 2012).

The Buldania Project is located at the southern end of the Norseman-Wiluna Greenstone Belt within the Archaean Yilgarn Craton, close to the boundary with the Proterozoic Albany-Fraser Province.

The lithium mineralisation is hosted by spodumene-bearing LCT (lithium-caesium-tantalum) type pegmatites and is fresh from surface. At Anna, the pegmatites are hosted by a sequence of komatiite, high-Mg basalt, dolerite and carbonaceous shale. Eight mineralised pegmatites (**Figure 7**) have been identified that are sub-horizontal in the north-west (dips of 0° to -10°) and which steepen in the south-east (dips of up to -65° to the west and to the east).

The mineralised pegmatites have been drilled over an area of 1,300m by 380m and to a depth of 300m. The individual mineralised pegmatites are up to 35m thick and have an average thickness of 4m to 9m and a combined average thickness of 26m.

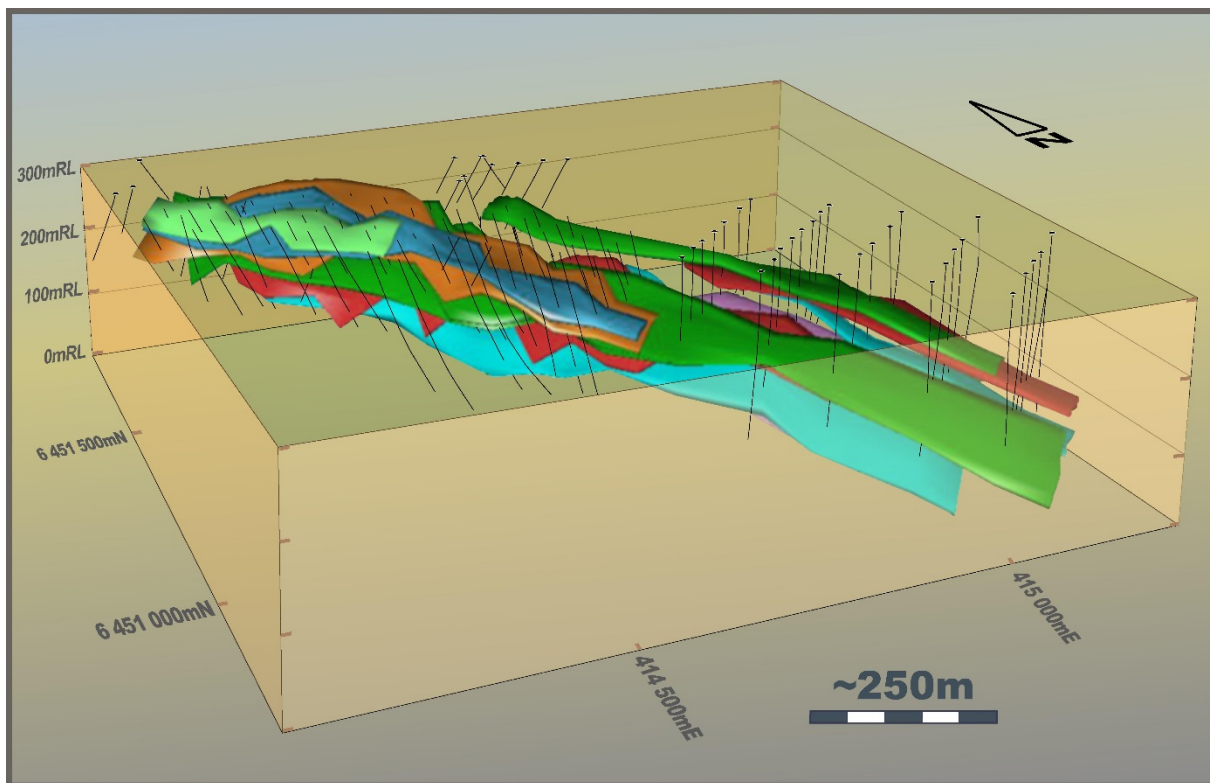


Figure 7: Anna Deposit – 3D view (looking north-east) of drill holes and mineralised pegmatites.

The Anna system remains open along strike, down-dip and, in places, up-dip. There is good potential for discoveries elsewhere within Liontown’s large landholding, which is located in an established, well serviced mining region close to transport, power and camp infrastructure.

3. Toolebuc Vanadium Project, Qld (Liontown: 100%)

The Toolebuc Vanadium Project is located in NW Queensland, approximately 440km west of Townsville (Figure 8), in a region which hosts a number of large vanadium resources defined as part of previous exploration for hydrocarbons in oil shale. Liontown has five tenements which adjoin existing resources and the Project represents a low-cost entry into vanadium, a commodity that is part of the battery metal suite, critical to the future of energy storage.

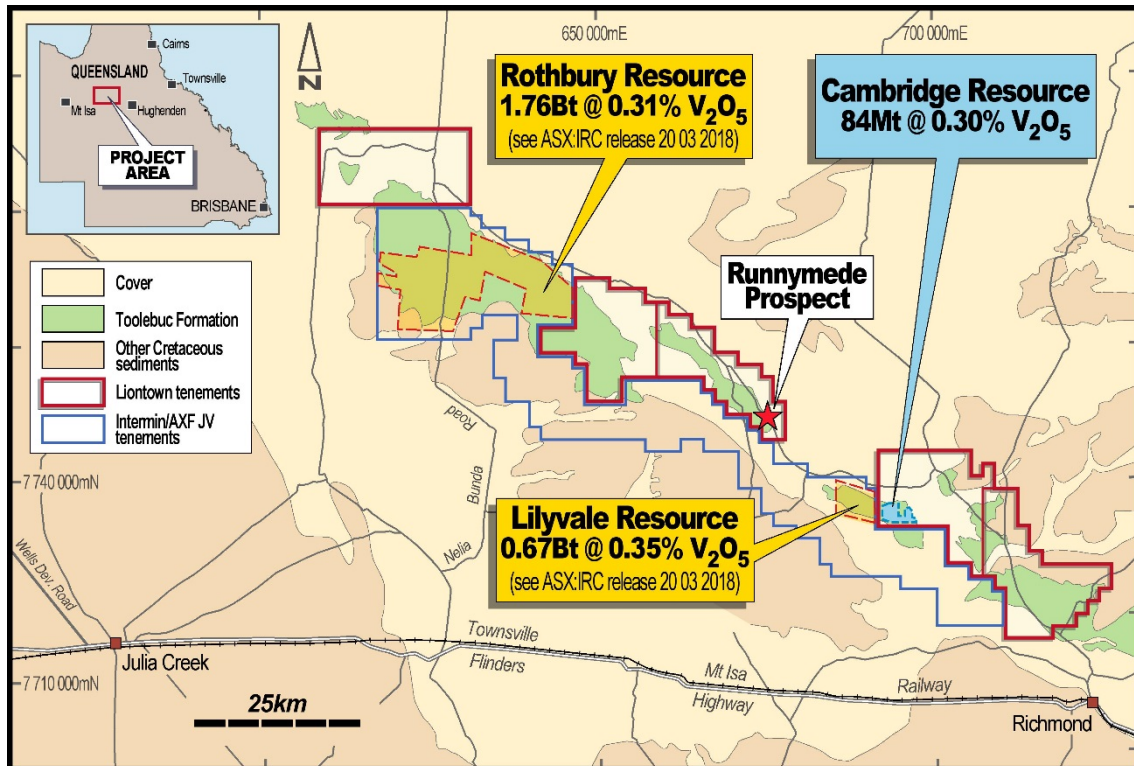


Figure 8: Toolebuc Vanadium Project – Location, regional geology and tenure showing mineral resources held by Intermin (in yellow) and Liontown’s Cambridge deposit (in blue).

During the Quarter, Liontown completed a 30-hole/745m aircore drilling program at the Cambridge prospect which was designed to validate historical drill results, test for a northern extension of the Cambridge MRE and provide material for metallurgical test work.

Better intersections from the drilling include:

- MAC013 6m @ 0.45% V₂O₅ from 2m
- MAC015 10m @ 0.45% V₂O₅ from 10m
- MAC022 9m @ 0.36% V₂O₅ from 7m
- MAC029 6m @ 0.39% V₂O₅ from 3m

The drilling intersected similar grades and widths as the historic drilling and defined additional vanadium mineralisation immediately to the north of the Cambridge MRE (Figure 9). The newly-defined mineralisation covers an area of 3.7km², averages 7m in thickness and has an average grade of 0.38% V₂O₅.

Preliminary metallurgical test work commissioned by Liontown indicates good potential to beneficiate the mineralisation to a higher grade concentrate that can then be processed to extract the vanadium. The recent drilling program at Cambridge has provided ample material for future test work.

A review of historical data has also identified a number of other high priority targets including the Runnymede prospect located 25-30km north-west of Cambridge (Figure 8). Previous drilling at Runnymede has intersected shallow, ore grade vanadium over a 3.5 x 3.5km area with the mineralised zone open to the north and north-east where extensive, prospective unexplored Toolebuc Formation has been mapped.

In addition to the known prospects, large areas of the Toolebuc Formation within Liontown’s tenure have yet to be explored for vanadium and there is good potential for further discoveries.

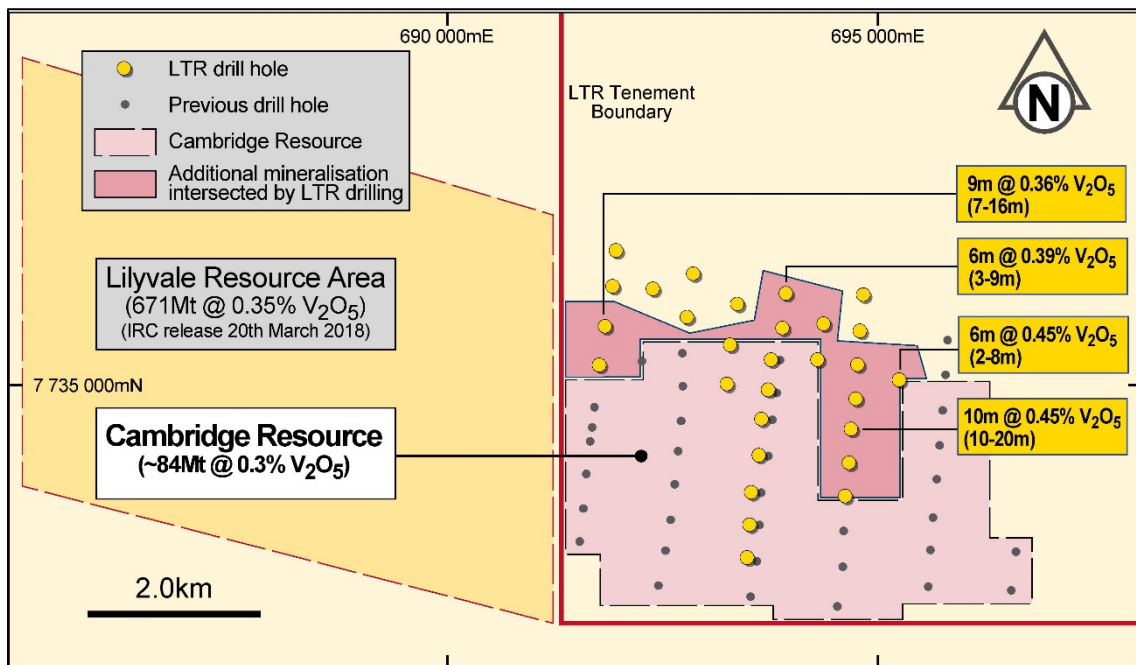


Figure 9: Toolebuc Vanadium Project – Cambridge prospect showing MRE and newly defined mineralisation with better drill results.

While the Toolebuc Project represents a quality development and growth opportunity in the battery metals space, following a strategic review of its corporate priorities and in light of the ongoing drilling success at its lithium projects, Liontown has decided to focus its resources on the continued development of the Kathleen Valley Project.

Consequently, the Company has commenced a process to either divest the Toolebuc Project or bring in a joint venture partner to advance it to the next stage. The Company will report any material developments in this process as and when they occur.

4. Tenement schedules and expenditures

In accordance with ASX Listing Rule 5.3, please refer to Appendix 1 for a listing of tenements. During the Quarter the Company spent \$3,424,908 on exploration and evaluation activities (YTD: \$7,677,714) and \$650,749 on administration costs (YTD: \$1,192,076).

5. Corporate

Cash Position

At the end of the Quarter, Liontown's cash balance was \$11,755,975.

This announcement has been authorised for release by the Board.

DAVID RICHARDS
Managing Director

30th January 2020

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The Information in this report that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Kathleen Valley Lithium Resource jumps 353% to 74.9Mt @ 1.3% Li₂O" released on the 9th July 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Ore Reserves and Pre-Feasibility Study (PFS) for the Kathleen Valley Project is extracted from the ASX announcements "Kathleen Valley Pre-Feasibility Study confirms potential for robust new long-life open pit lithium mine in WA" released on 2nd December 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Exploration Results and Targets for the Kathleen Valley Project is extracted from the ASX announcements "Exceptional new thick, high-grade drill results confirm potential for substantial resource growth at Kathleen Valley" and "Kathleen Valley: continuity of high-grade lithium mineralisation confirmed at recently discovered northern extension" released on the 5th November 2019 and 16th December 2019 respectively which are available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Buldania Project is extracted from the ASX announcement "Liontown announces maiden Mineral Resource Estimate for its 100%-owned Buldania Lithium Project, WA" released on the 8th November 2019 which is available on www.ltresources.com.au.

The Information in this report that relates to Exploration Results for the Toolebuc Vanadium Project is extracted from the ASX announcement "Exploration and Corporate Strategy Update" released on the 20th January 2020 which is available on www.ltresources.com.au.

The Information in this report that relates to Mineral Resources for the Cambridge Deposit is extracted from the ASX announcement "Liontown Announces Maiden 84Mt Vanadium Resource for Toolebuc Project, NW Queensland" released on the 30th July 2018 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 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.

APPENDIX 1

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter.

1. Listing of tenements held in Australia (directly or beneficially):

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Kathleen Valley	M36/264	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - nickel claw back rights retained by other party
		M36/265		
		M36/459		
		M36/460		
		E36/879	Liontown Resources Limited	100% - all metal rights
		L36/236	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%
		L36/237		
	Buldania	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
		P63/1977		
		M63/647		
	Killaloe	E63/1018	80% LRL (Aust) Pty Ltd/ 20% Cullen Resources Limited	80%
		E63/1660	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%
		E63/1713		
		M63/0177		
		P63/2152	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%
	Norseman Regional	P63/2127	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%
		P63/2128		
		P63/2129		
	Toolebuc	EPM26490	Liontown Resources Limited	100%
		EPM26491		
EPM26492				
EPM26494				
EPM26495				
Moora	E70/5217	ERL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100%	
	E70/5286			
	E70/5287			

2. Listing of tenements acquired (directly or beneficially) during the quarter:

No tenements were acquired during the Quarter

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Norcott	E63/1824	Galahad Resources Limited	Returned to vendor
		E63/1863	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	Surrendered

4. Listing of tenements applied for (directly or beneficially) during the quarter:

No tenements were applied for during the Quarter

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 2019

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	(3,424,908)	(7,677,714)
(b) development	-	-
(c) production	-	-
(d) staff costs	(305,598)	(544,610)
(e) administration and corporate costs	(345,151)	(647,466)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	51,456	63,790
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(4,024,201)	(8,806,000)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(26,801)	(55,238)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(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	(26,801)	(55,238)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	18,000,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	135,000	354,750
3.4 Transaction costs related to issues of shares, convertible notes or options	96,966	(905,143)
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 Other	(31,928)	(195,678)
3.10 Net cash from / (used in) financing activities	200,038	17,253,929

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	15,606,924	3,363,269
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,024,201)	(8,806,000)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(26,801)	(55,238)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	200,038	17,253,929
4.5 Effect of movement in exchange rates on cash held	15	15
4.6 Cash and cash equivalents at end of period	11,755,975	11,755,975

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	4,255,975	8,106,924
5.2 Call deposits	7,500,000	7,500,000
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,755,975	15,606,924

Notes to cash flow

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A**

181,587

-

Item 6.1 consists of the contractor fees and salary and superannuation paid to the Managing Director and related parties (\$111,683), Directors fees, Consulting fees, PAYG and superannuation for non-executive directors for the current quarter (\$69,904).

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A**

81,290

-

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

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	5,310,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	370,000
9.5 Administration and corporate costs	420,000
9.6 Other	-
9.7 Total estimated cash outflows	6,100,000

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	WA Norcott E63/1824	Returned to vendor	0% - application. Right to 100% of all metal rights secured by Agreement	0%
		E63/1863	Surrendered	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 30 January 2020

Company Secretary

Print name: Craig Hasson

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.