



ASX ANNOUNCEMENT

Receipt of funds following settlement of Liontown deposit sale

In 2009, Liontown Resources sold the Liontown base metal deposit and surrounding exploration tenure, located southwest of Charters Towers in North Queensland, to Kagara Limited with the consideration comprising two tranches; i.e.

- Tranche 1 – Immediate issue of KZL shares to the value of \$2,250,000; and
- Tranche 2 – A cash payment of \$2,250,000 on either a formal decision to mine the Liontown deposit or if the deposit was sold to a third party.

Subsequent to the Liontown sale, Kagara was placed in liquidation.

The recent sale of Kagara's Thalanga Operations, which include the Liontown Deposit, to Red River Resources Limited has triggered Tranche 2.

Liontown has now agreed to accept the sum of \$465,500 as full and final settlement of the outstanding consideration. This sum has now been received.

A handwritten signature in black ink, appearing to read "David Richards", is enclosed in a light blue rectangular box.

David Richards
Managing Director

4th November 2014