

ASX ANNOUNCEMENT

Liontown expands lithium portfolio with acquisition of Bynoe lithium-tantalum project in the Northern Territory

Second lithium-prospective project acquired with extensive pegmatite field, potential for spodumene mineralisation and immediate exploration targets

Highlights

- ~80km² Bynoe Lithium-Tantalum Project located close to Darwin, Northern Territory.
- Historical exploration has identified 50 pegmatites within project area.
- Previous exploration totally focused on tin and tantalum, with few lithium assays completed.
- Lithium mineralisation (spodumene/amblygonite) reported at several prospects.
- Pegmatites show mineral zonation typical of lithium-bearing pegmatites.
- Exploration work to commence immediately.

Liontown Resources Limited (ASX: LTR) is pleased to advise that it has secured a second, highly prospective lithium-tantalum exploration project ("the Bynoe Project") located near Darwin in the Northern Territory (*Figure 1*).

The acquisition – which complements its recently secured Mohanga Lithium Project in Tanzania, East Africa, where early trenching has returned high grade lithium-tantalum mineralisation (*see ASX release dated 25th January 2016*) – confirms Liontown's stated strategy of diversification into the strategic metals sector.

The Bynoe Project comprises two separate exploration licences (ELs 30012 and 30015) covering a total area of 80km² and is located ~40km SSW of Darwin, in close proximity to significant transport infrastructure (*Figure 1*).

The Project lies in the western part of the early Proterozoic Pine Creek Geosyncline, where it comprises a sequence of greenschist metamorphic grade sandstones and siltstones with occasional lenses of conglomerate. Numerous mineralogically zoned pegmatites containing tin and tantalum have intruded the sediments.

Multiple phases of prospecting, exploration and small-scale mining have been undertaken in the Bynoe area since the 1880s (*see Appendix 1*) with 50 pegmatites identified within the project area (*see Figure 2*). The pegmatites range in size from narrow fracture fillings to massive bodies >50m thick and >200m long.

Previous work has targeted tin and tantalum mineralisation, either hosted in alluvial deposits or within the strongly weathered, upper 10-20m of the bedrock profile where mining would be free-digging. Very few fresh bedrock samples have been collected or assayed.

Although the previous exploration focus has been on tin and tantalum, lithium minerals (spodumene and amblygonite) have been reported at several prospects in the immediate area including the Picketts prospect within the Option area (*Figure 2*). No location or assay data has been provided in the report that describes the lithium occurrence.

The Bynoe Project is considered highly prospective for lithium mineralisation due to:

- The common association of tin and tantalum with lithium-bearing pegmatites elsewhere in the world (e.g. at the world-class Greenbushes deposit in WA);
- The presence of mineral zonation typical of lithium-bearing pegmatites;
- Strong lateritic weathering altering spodumene (lithium pyroxene) to kaolinite, meaning that lithium may not have been detected by previous exploration work; and
- Reporting of lithium minerals from areas where fresh bedrock has been exposed.

The Company believes that the acquisition offers its shareholders leveraged exposure to lithium exploration at a second, highly prospective greenfields project of similar scale and potential to its recently secured Mohanga Lithium Project in Tanzania. Lontown will commence work immediately on the Bynoe Project with following activities planned:

- Compilation and digital capture of all previous exploration data;
- Ranking of pegmatites according to size potential;
- Geological mapping and prospect assessment;
- Trenching; and
- RC drilling to test fresh bedrock for spodumene mineralisation.

Acquisition Terms

Lontown has agreed to terms with private company Orema Pty Ltd whereby it may acquire 100% of the Bynoe Project by:

- Paying the vendor an initial signing fee of \$10,000 cash; and
- Paying the vendor \$100,000 cash at anytime within 19 months of the Agreement's execution date.



DAVID RICHARDS
Managing Director

4 February 2016

The Information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr David Richards, who is a Competent Person and a member of the Australasian Institute of Geoscientists (AIG). Mr Richards is a full-time employee of the company.

Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

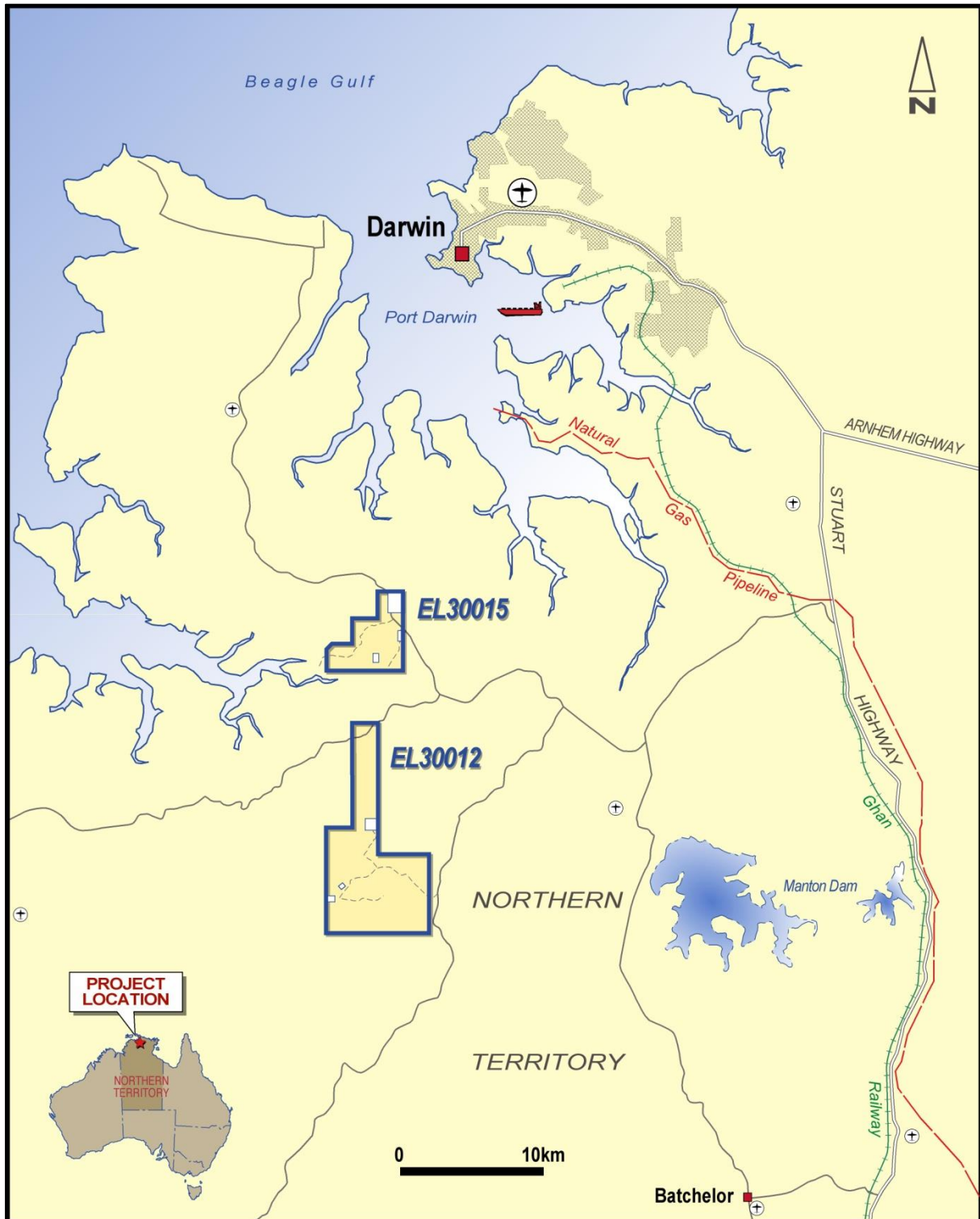


Figure 1: Bynoe Project – Location Plan

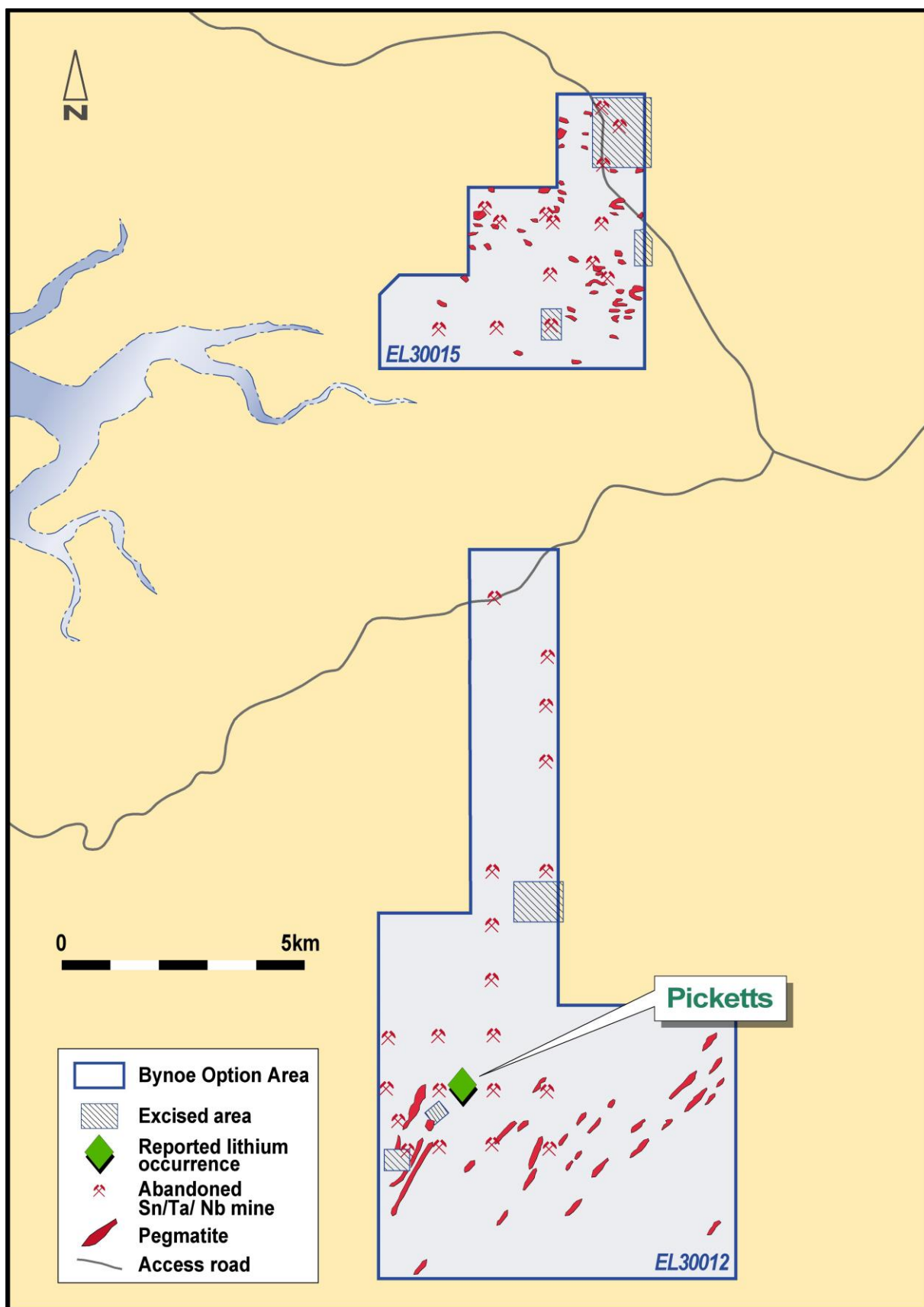


Figure 2: Bynoe Project – Tenure, pegmatites and historic mines.

APPENDIX 1 – BYNOE PROJECT - JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>No sampling completed by Liontown to date.</p> <p>Historic sampling techniques not well documented.</p> <p>Not applicable.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>No drilling completed.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size</i></p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable</p> <p>Not applicable</p>

Criteria	JORC Code explanation	Commentary
	<i>of the material being sampled.</i>	
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Not applicable
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	None used
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established</i>	Not applicable.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not applicable
	<i>The use of twinned holes.</i>	Not applicable
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Not applicable.
	<i>Discuss any adjustment to assay data.</i>	None required
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Not applicable.
	<i>Specification of the grid system used</i>	Not applicable.
	<i>Quality and adequacy of topographic control.</i>	Not applicable
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Not applicable.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Not applicable.
	<i>Whether sample compositing has been applied.</i>	None undertaken.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Not applicable
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not applicable.
Sample security	<i>The measures taken to ensure sample security.</i>	Not applicable
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	None completed.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Bynoe Project comprises 2 separate, granted exploration licences (EL30012 and EL30015) which cover a total area of ~80km² area located ~40km SSW of Darwin in the Northern Territory.</p> <p>The tenements are subject to an Option Agreement with private company Orema Pty Ltd. Lione town may earn 100% equity in the tenements by:</p> <ul style="list-style-type: none"> • Paying A\$10,000 cash on signing of the Agreement; • Paying A\$100,000 anytime within 19months of the

Criteria	JORC Code explanation	Commentary
		execution date of the Agreement
		There are no other material issues affecting the tenements
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	All tenements are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>There has been multiple, sporadic but intensive periods of prospecting, exploration and small scale mining within the Bynoe Project area since the late 1880s. All known previous work has focussed on tin and tantalum with no systematic assaying for lithium.</p> <p>Modern exploration and/or small scale mining has been carried out by Greenbushes Tin (1980 -1989/EL4183), North Queensland Resources (1989-1990), Australian Coal and Gold Holdings (1982-1987/EL2171), Julia Corporation (2000) Talison Minerals (2004-2008/EL23912) and Arnhem Resources Pty Ltd (2005-2008/EL246390).</p> <p>Exploration work completed included compilation of historical data; acquisition of landsat imagery, aerial photography and digital topography; soil and rock chip geochemistry; geological mapping; trenching; surveying and shallow RAB/auger drilling.</p> <p>In 1987, Greenbushes constructed a pilot plant to treat Sn/Ta ore from several sources but this shut down soon after due to decreasing commodity prices. A number of other parties trialled small scale mining without success.</p> <p>Approximately 50 Sn/Ta bearing pegmatites have been defined; however, it is possible that some of these pegmatites represent separate outcrops of the same body exposed sporadically along and across strike.</p> <p>All previous work has focussed on either alluvial/eluvial material or the upper, weathered portion of the bedrock which would be suitable for free digging. Depth of weathering is approximately 20m depth and any spodumene would be totally altered to kaolinite with the lithium completely depleted.</p> <p>Historic exploration reports have been reviewed and results summarised; however, Liontown has not yet completed digital capture and compilation of data collected by previous explorers and miners.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Bynoe Project is located in the western part of the early Proterozoic Pine Creek Geosyncline where it comprises a sequence of greenschist metamorphic grade sandstones and siltstones with occasional lenses of conglomerate. Multiple tin and tantalum-bearing pegmatites have been emplaced into the sediments within the contact aureole of the Two Sisters Granite (located to the south and west), a Paleoproterozoic intrusion which is interpreted to be the source of the rare metals.</p> <p>The pegmatites typically comprise a border zone of fine grained muscovite and quartz followed inward by a wall zone of coarse grained muscovite and quartz which is in turn followed by an intermediate zone of quartz-feldspar-muscovite. A core zone of massive quartz occurs locally. The intermediate zone contains the bulk of the tin and tantalite mineralisation and is also where the lithium is expected to be hosted.</p> <p>The pegmatites are located in a north trending, 15km wide belt.</p> <p>The pegmatites are strongly weathered to 10-20m depth and often poorly exposed with feldspar completely altered to kaolinite.</p> <p>Dimensions of the pegmatites vary in scale from narrow fracture fillings to massive bodies up to 50m wide and >200m long.</p>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. 	Not applicable.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	Not applicable.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	Not applicable.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See Figures in body of report
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All meaningful and material data reported
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	<ul style="list-style-type: none"> • Capture and compilation of historic data into a digital database; • Ranking of pegmatites according to size potential; • Geological mapping and prospect assessment; • Trenching (if feasible); and • RC drilling to test fresh bedrock for spodumene mineralisation