

ASX ANNOUNCEMENT

3 August 2017

Liontown Exercises Option for Bynoe Lithium Project, NT

Liontown Resources Limited (**ASX: LTR**) advises that it has exercised an Option to acquire 100% of the Bynoe Lithium Project tenure that it not did already own by paying the vendor, Orema Pty Ltd, \$100,000.

The exercise of the Option, which covers the two main tenements (EL30012 and EL30015) at Bynoe, reflects the Company's strong belief that the Project has good potential to host an economic lithium deposit.

Liontown acquired the Option in early 2016 due to the large number of documented rare metal pegmatites prospective for lithium and the Project's close proximity to Darwin and related infrastructure which would be critical for the development of a commercial mining operation.

Exploration drilling has intersected >1% Li₂O, spodumene-related mineralisation at 8 of the 23 prospects targeted with broad zones (>10m) of ore grade delineated at Sandras, BP33 and Carlton.

The next phase of work at Bynoe will comprise first-pass RAB drilling of a number of other high priority targets, which have been defined by geochemical, geophysical and geological surveys, followed by deeper Reverse Circulation (RC) drilling. Further RC drilling will also be undertaken at targets where wide zones of >1% Li₂O mineralisation have already been intersected.

The RAB drilling is planned for areas where bedrock exposure is poor and where further data is required to optimally site the deeper RC holes designed to test for primary spodumene mineralisation.

Significant targets to be tested by RAB drilling include:

- **The >1km Litchfield soil anomaly**, which is located ~2km SSW on the same mineralized trend as Core Exploration's high-grade Grant's resource (see CXO release dated 8th May 2017). At this prospect soil sampling has recorded strongly elevated lithium values (**Figure 1**) and field traversing has observed numerous historical workings and extensive sub-cropping pegmatites; and
- **The southern extension of the Sandras trend**. Drilling at Sandras in 2016 recorded multiple thick >1% Li₂O intersections (up to 42m @ 1%Li₂O from 93m) hosted by a pegmatite which is coincident with a 250m long magnetic low. A similar, larger (~700m long) magnetic feature is located 200m south of Sandras (**Figure 2**) beneath transported cover.

The drilling is scheduled to commence in early September conditional on the timely processing of access clearance permits by NT Department of Mines.

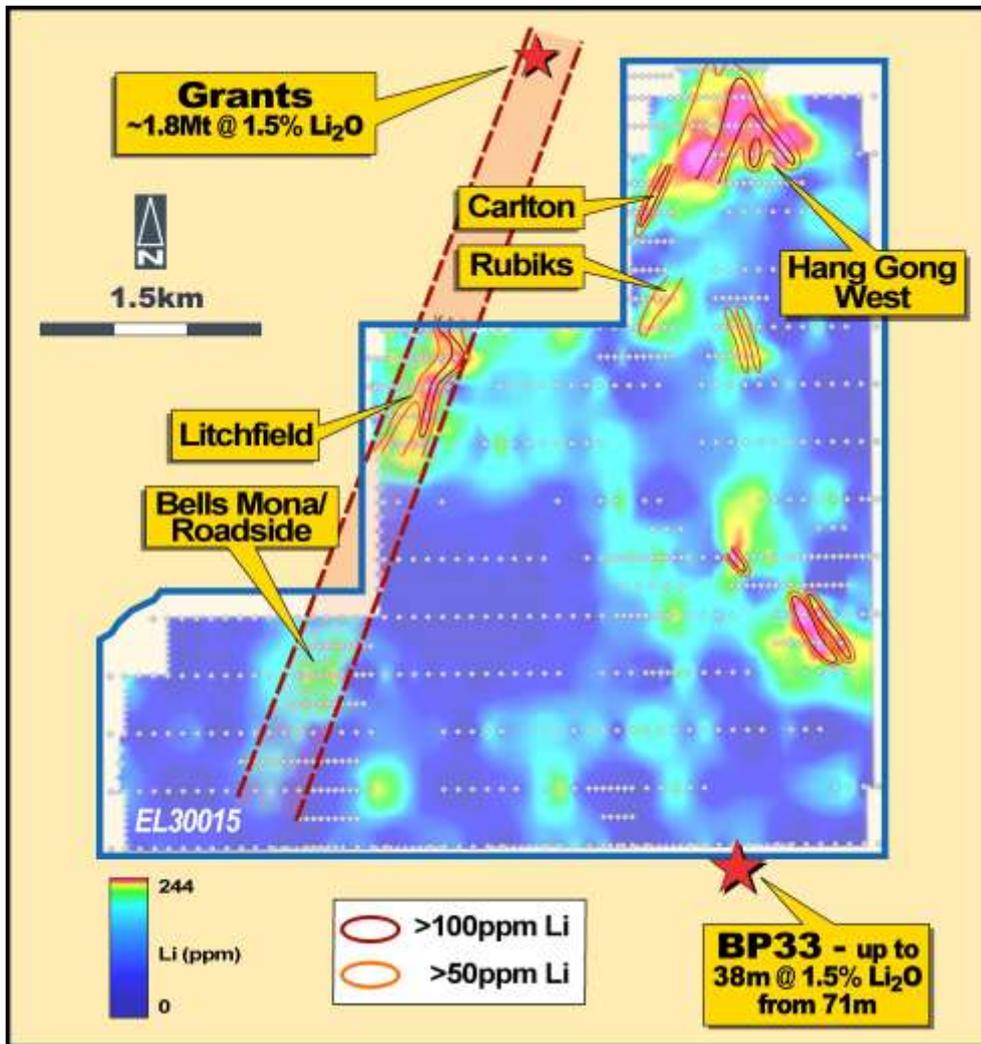


Figure 1: Bynoe Project – EL30015 showing lithium-in-soil image and main prospects

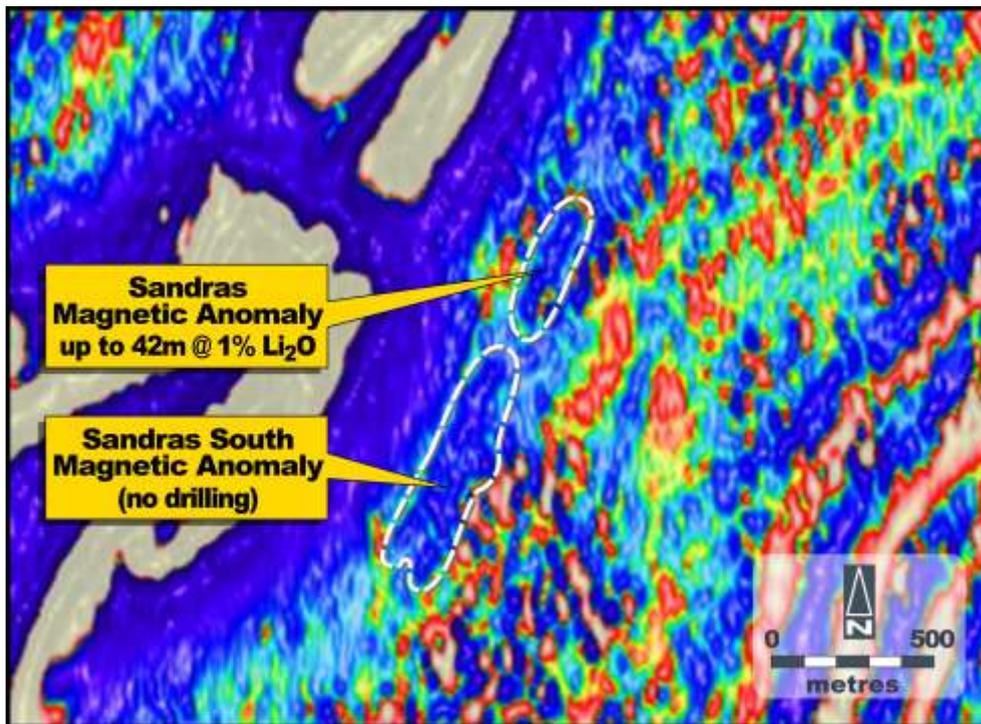


Figure 2: Bynoe Project – Magnetic image of Sandras area



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Managing Director

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The Information in this report that relates to Exploration Results for the Bynoe Project is extracted from the ASX announcements entitled "Initial Assays from Second Phase of Drilling at Bynoe Lithium Project Confirm Extensions to Sandras Prospect", "New Drill Targets Outlined at Bynoe Lithium Project Following Successful Soil Sampling Program", "Joint Airborne Geophysical Survey Commences across Bynoe/Finniss Pegmatite-Lithium Field, NT", "Large new pegmatite target identified at Bynoe" and "Bynoe Lithium Project, NT – Drilling Update" released on the 2nd November 2016, 6th December 2016, 10th January 2017, 13th February 2017 and 28th June 2017 respectively all of 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 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.