

## Rights Issue

11 October 2011

### Highlights

- 1-for-4 rights issue at 3 cents to raise ~\$1.58M before issue costs, to be underwritten by Patersons Securities Limited
- Funds to be used for further exploration at Jubilee Reef Joint Venture Project (northern Tanzania) and Panhandle Project (north Queensland) and for working capital



Liontown Resources Limited (ASX: LTR) ('Liontown' or the 'Company') is pleased to announce a **1-for-4 pro-rata non-renounceable rights issue ('Offer')** to existing shareholders at **3 cents** per share to raise approximately \$1.58M.

The Offer will be partially underwritten by Patersons Securities Limited with the balance being met by firm commitments by Liontown Chairman, Mr Tim Goyder in respect of his entitlement.

The funds raised from the Offer will be used to underpin the continued exploration of the Jubilee Reef Joint Venture Project in northern Tanzania and the Panhandle Project in North Queensland. Following the Company's announcement on 10 October 2011 of outstanding drilling results at Jubilee Reef the funds will contribute to further drilling aimed at defining the extent of gold mineralisation.

The Offer will be made to eligible shareholders who are registered on the Record Date of 5.00pm (WST) on 25 October 2011. The Offer Document which will include a personalised entitlement and acceptance form and further details on how to participate in the Rights Issue will be dispatched to eligible shareholders on 28 October 2011.

The timetable for the Rights Issue is attached to this announcement as Schedule A. A copy of the Offer Document, a cleansing statement and an Appendix 3B has also been released. The Offer Document is also available on the Company's website at [www.ltresources.com.au](http://www.ltresources.com.au).

### Exploration Update

#### Panhandle Project (Queensland)

Liontown recently completed a 1,100m combined RC/diamond core drilling program at its 100% owned Panhandle Project in North Queensland. The drilling was designed to test a >1km long silver in soil anomaly where rock chip sampling had recorded multiple zones of bedrock mineralisation with values up to 202g/t silver, 0.2g/t gold and 3.6% lead. All samples have been submitted to the laboratory and assays are pending. There has been no previous drilling at the prospect.

## Investment Highlights

- Outstanding gold potential in northern Tanzania
- Large land position (>5,000km<sup>2</sup>) in North Queensland precious metals province
- Extensive silver anomalies to be followed up on wholly owned tenure in 2011

**Mount Windsor Project (Queensland)**

At the end of September 2011, a combined 3,500m RC/diamond core drilling program commenced at the Company's Mt Windsor JV Project which is also located in North Queensland. Ramelius Resources, which is the manager and operator of the JV, has the right to earn up to 60% equity by spending \$7 million on exploration over 4 years. The drilling is designed to test a number of targets including the Nightjar prospect (formerly Plateau North) where strong gold, silver and copper values have been recorded over 500m strike (see ASX announcement dated 25/8/2011). Drilling is still in progress and assays are pending.



**DAVID RICHARDS**  
Managing Director  
11 October 2011

The information in this release that relates to Exploration Results is based on information compiled by Mr David Richards, a full time employee of Lontown Resources Limited, who is a Member of the Australian Institute of Geoscientists. Mr Richards has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

**For further information, please contact:**

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## Appendix A - The Offer Timetable

Event	Date
Cleansing Notice, Appendix 3B and Offer Document lodged with ASX	Tuesday, 11 October 2011
"Ex" date for the Offer (being the date that shares start trading without the entitlements to participate in the Offer)	Wednesday, 19 October 2011
Record Date to determine entitlements under the Offer	Tuesday, 25 October 2011
Opening date of offer	Friday, 28 October 2011
Despatch of the Offer Document and entitlement and acceptance form to eligible shareholders	
Closing Date for acceptances under the Offer	Monday, 14 November 2011
ASX notified of under subscriptions under the Offer	Thursday, 17 November 2011
Allotment of the new shares and despatch of holding statements for the new shares	Monday, 21 November 2011
Trading of new shares expected to commence	Tuesday, 22 November 2011