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11 October 2011

ASX Limited
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NOTICE UNDER SECTION 708AA OF THE CORPORATIONS ACT 2001 (Cth)

Liontown Resources Limited (ABN 39 118 153 825) (ASX: LTR) today announced a non-renounceable rights issue to shareholders whose registered addresses are in Australia and New Zealand and who are registered as shareholders of LTR at 5.00pm WST on Tuesday 25 October 2011 (**Eligible Shareholders**), on the basis of 1 fully paid ordinary share (**New Share**) for every 4 fully paid ordinary shares (**Entitlement**) held at an issue price of \$0.03 per New Share to raise a total of approximately \$1,583,052 (before costs) (**Rights Issue**).

In accordance with sections 708AA(2)(f) and (7) of the Corporations Act 2001 (Cth) (**Corporations Act**), LTR gives notice that:

1. LTR will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. LTR is giving this notice under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, LTR has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to LTR; and
 - (b) section 674 of the Corporations Act.
4. As at the date of this notice, there is no information:
 - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (b) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of LTR; or
 - (ii) the rights and liabilities attaching to the New Shares.

5. The issue of the New Shares may affect the control of LTR. Set out below is some information on the effect that the issue of the New Shares may have on the control of LTR and the consequences of that effect.

The potential effect of the Rights Issue on the control of LTR is as follows (assuming none of the options currently on issue are exercised prior to the Record Date):

- i. If all Eligible Shareholders take up their Entitlements under the Rights Issue, then the Rights Issue will have no significant effect on the control of LTR.
- ii. If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue, then the interests of those Eligible Shareholders will be diluted.
- iii. The proportional interests of ineligible foreign shareholders will be diluted because those ineligible foreign shareholders are not entitled to participate in the Rights Issue.
- iv. The Rights Issue is partially underwritten by Patersons Securities Limited (**Underwriter**) up to 38,140,534 New Shares (with firm commitments having been received for the balance). If the relevant Eligible Shareholders do not take up their Entitlements under the Rights Issue, then the Underwriter would be required to take up its full commitment under the Underwriting Agreement with LTR which would result in the Underwriter, subject to any sub-underwriting arrangements it has entered into, acquiring a maximum of approximately 38,140,534 New Shares under the Rights Issue representing a maximum voting power in LTR of 14.45%.

The following table sets out the impact of the Rights Issue on the capital structure of the Company:

Description	Number of shares
Total issued capital at the date of this announcement	211,073,581
Maximum Number of New Shares offered under the Rights Issue	52,768,395
Total issued capital at completion of the Rights Issue	263,841,976

*Assuming no options are exercised prior to the Record Date.

Yours faithfully



Richard Hacker
Company Secretary
Liontown Resources Limited