

ASX ANNOUNCEMENT

Liontown to raise \$3.43m to fast-track drilling at Jubilee Reef gold project, Tanzania

Underwritten 1-for-3 rights issue at 3.5c: new round of drilling imminent to follow up recent outstanding results which highlight potential for large gold system

Liontown Resources Limited (ASX: LTR) ('Liontown' or the 'Company') is pleased to announce that it will raise up to \$3.43 million through an entitlements issue to fast-track exploration drilling at its emerging Jubilee Reef gold project in Tanzania, east Africa.

The funds will be used to underpin a major new drilling program comprising over 14,000m of reverse circulation and aircore drilling which is set to commence at the Jubilee Reef Project next week, to follow up recent broad intersections of gold mineralisation.

The raising will be undertaken through a **1-for-3 pro-rata non-renounceable rights issue ('Offer')** to existing shareholders at **3.5 cents** per share. The Company will also issue 1 free attaching New Option for every 3 New Shares subscribed. Each free attaching New Option will have an exercise price of 5 cents and will expire on the third anniversary of the date of issue. Application will be made to list the options on ASX.

The Entitlement Offer is underwritten by Bell Potter Securities Limited with firm commitments by several of the Company's largest shareholders, including Liontown Chairman, Tim Goyder.

The Jubilee Reef Project (Liontown earning up to 75%) is located in the world-class Lake Victoria Goldfield. Drilling during 2011 and 2012 from the Masabi Hill and the Shangaza/Panapendesa prospects has confirmed the potential for economic mineralisation.

More recent drilling has returned outstanding results, highlighting the potential for a large-scale gold system at Masabi Hill. Results from the central zone at Masabi Hill have included 62m @ 2.4g/t gold from 70m including 21m @ 4.7g/t gold (see ASX Announcement of 30 May 2012), while a second zone of strong gold mineralisation has been discovered near the southern contact with results including 80m @ 1.7g/t gold including 20m @ 2.5g/t gold and 32m @ 2.3g/t gold (see ASX Announcement of 8 June 2012). A full table of drilling results from the Jubilee Reef Project is attached in Schedule B.

5,400 metres of RC drilling is planned and is aimed at further defining strike and dip extensions of significant intersections at the Masabi Hill prospect as well as following up on other known targets.

Approximately 9,000 metres of aircore drilling is also proposed which will further define the extent of gold mineralisation across the broader Jubilee Reef Project and identify further RC drilling targets.

Investment Highlights

- **Large gold system identified at Jubilee Reef JV in northern Tanzania. 2012 drilling program has commenced with outstanding initial results.**
- **Large land position (>5,000km²) in North Queensland precious metals province with multiple targets currently being drilled by JV partner.**

All Shareholders registered as at 5:00pm (WST) on Tuesday, 4 September 2012 will be entitled to participate in the Entitlement Offer. **Shareholders are also invited to subscribe for shares in excess of their Entitlement.** The closing date for the Entitlement Offer is 5:00pm (WST) on Thursday, 20 September 2012.

The timetable for the Offer is attached to this announcement as Schedule A. A copy of the Prospectus and an Appendix 3B has also been lodged. A copy of the Prospectus will be mailed to shareholders prior to 6 September 2012 and is also available on the Company's website at www.ltresources.com.au.

A handwritten signature in blue ink, appearing to read 'Tim Goyder', with a stylized flourish at the end.

TIM GOYDER
Chairman

20 August 2012

SCHEDULE A OFFER TIMETABLE

Event	Date
Prospectus lodged with ASIC and ASX	Monday, 20 August 2012
Notice sent to Shareholders containing information required for Appendix 3B in relation to the Entitlement Offer	Tuesday, 28 August 2012
"Ex" date	Wednesday, 29 August 2012
Record Date to determine Entitlements under the Entitlement Offer	Tuesday, 4 September 2012
Opening Date of Entitlement Offer	Thursday, 6 September 2012
Despatch Prospectuses and Entitlement and Acceptance Forms and the Company announces the despatch has been completed	Thursday, 6 September 2012
Closing Date for acceptances under the Entitlement Offer	Thursday, 20 September 2012
Company notifies ASX of under subscription*	Monday, 24 September 2012
Expected despatch date with the allotment of New Securities	Thursday, 27 September 2012
Trading of New Securities expected to commence	Friday, 28 September 2012

*This timetable is drafted on the basis that the New Securities will not be quoted on a deferred settlement basis.

The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Entitlement and Acceptance Form, or to delay or withdraw the Entitlement Offer at any time without prior notice, in which case all Application Monies for New Securities which have not been issued will be refunded (without interest) as soon as practicable.

SCHEDULE B DRILLING RESULTS THE JUBILEE REEF PROJECT

HOLEID	Easting	Northing	DEPTH	Significant Intersections (>0.1g/t Au)				Significant Intersections (>0.5g/t Au)			
				From	To	Interval	Grade	From	To	Interval	Grade
JLRR31	439155	9606320	100	3	18	15	0.63	13	17	4	1.14
				20	47	27	0.63	28	33	5	1.59
				62	80	18	0.90	62	73	11	1.12
JLRR9	439019	9606438	125	19	26	7	0.27				
				83	89	6	0.29				
				91	92	1	1.06	91	92	1	1.06
JRRC-1	439300	9606350	98	6	12	6	0.34				
				24	30	6	0.24				
				33	39	6	0.22				
				57	63	6	0.22				
				75	81	6	0.28				
JRRC-2	439000	9606245	65	0	33	33	0.70	6	27	21	0.93
				42	57	13	0.90	48	51	3	3.00
JBRR018	439042	9606254	175	2	36	34	0.63	4	6	2	1.32
								17	24	7	1.22
								26	29	3	0.98
				40	90	50	1.79	42	69	27	2.76
								80	87	7	1.09
				99	108	9	0.89	104	107	3	2.24
				135	148	13	0.75	138	144	6	1.20
				153	175	22	0.45	153	158	5	1.00
JBRR019	439136	9606272	175	0	48	48	1.05	9	46	37	1.30
				60	64	4	0.46				
				68	76	8	0.13				
				88	92	4	0.31				
				97	103	6	0.42				
JBRR020	439064	9606418	175	107	109	2	1.27	107	109	2	1.27
				128	140	12	0.88	130	131	1	6.28
				148	160	12	0.54				
JBRR041	439030	9606208	132	35	46	11	0.59	36	44	8	0.74
				70	132	62	2.37	70	91	21	4.66
								94	99	5	1.00
								102	132	30	1.40
JBRR042	439029	9606364	165	3	12	9	0.27				
				17	30	13	0.32				
				40	57	17	0.25				
				66	78	12	0.26				
				86	94	8	0.32				
				110	111	1	0.77				
				114	117	3	1.16	114	117	3	1.16
				129	152	23	0.50	133	137	4	1.49
				154	165	11	0.30				
JBRR043	439120	9606236	123	0	8	8	0.30	3	4	1	1.20
				40	45	5	0.23				
				48	85	37	0.48	49	55	6	1.08
				99	105	6	0.48	100	102	2	0.96
				112	119	7	0.57	114	115	1	1.65
JBRR044	439123	9606356	129	11	25	14	0.34				
				29	41	12	1.01	31	36	5	2.08
				18	36	18	0.36	53	55	2	1.28
				66	73	7	0.86	70	72	2	2.38
				80	84	4	0.63	82	83	1	1.41
				89	100	11	0.27				
				105	111	6	0.18				

HOLEID	Easting	Northing	DEPTH	Signifcant Intersections (>0.1g/t Au)				Signifcant Intersections (>0.5g/t Au)			
				From	To	Interval	Grade	From	To	Interval	Grade
JBRR045	439216	9605991	135	8	82	74	1.8	12	32	20	2.33
								50	73	23	2.93
								76	82	6	1.46
				84	86	2	0.58				
				97	104	7	0.44				
JBRR046	439222	9606131	135	124	129	5	0.99	127	128	1	3.65
				48	51	3*	0.3				
				54	57	3	0.66	56	57	1	1.16
				62	66	4*	0.43				
				105	112	7	0.34				
JBRR047	439600	9606027	140	118	130	12	1.23	122	128	6	2.11
				104	107	3	0.19				
JBRR048	439602	9606171	39	Hole abandoned before reaching target depth							
JBRR049	439610	9606176	79	Hole abandoned before reaching target depth							
JBRR050	439617	9606172	130	104	107	3	0.19	109	112	3	2.11
				24	28	4*	0.29				
				52	57	5	1.07	53	57	4	1.25
				86	94	8	1.27	86	92	6	1.59
JBRR051	439477	9606305	190	125	128	3	0.88	125	127	2	1.15
				16	32	16*	0.28	16	20	4*	0.66
				87	92	5	0.44				
				109	112	3	1.55	109	111	2	2.14
				164	168	4*	0.36				
JBRR052	439451	9606431	120	180	188	4*	0.25				
				17	59	42	0.5	18	22	4	1.1
								26	33	7	1.26
				64	88	24*	0.16				
JBRR053	439441	9606506	112	91	98	7	0.76	93	97	4	1.05
				104	120	16	0.54	117	120	3	1.73
				12	16	4	0.36				
				22	28	6	0.68	22	25	3	1.08
JBRR054	439598	9606101	84	56	59	3	0.52				
				64	71	7	0.4				
				23	36	13	0.24	23	24	1	1.02
JBRR061	438980	9606267	100	4	16	12	0.45				
				31	40	9	0.26				
				65	94	29	0.25				
JBRR062	438970	9606201	150	27	71	44	0.43	32	44	12	0.68
								48	49	1	1.39
				74	97	23	0.38	77	86	9	0.55
				99	105	6	0.33				
				111	132	21	0.35				
JBRR063	438983	9606161	200	134	145	9	0.78	137	144	7	1.1
				140	150	10	0.77	141	148	7	0.98
				153	159	6	0.7	154	155	1	2.99
				164	167	3	0.31				
JBRR064	439062	9606273	80	193	198	5	0.28				
				4	12	8	0.44				
				14	32	18	0.43	21	26	5	0.89
JBRR065	439064	9606161	200	45	66	21	0.62	45	55	10	0.89
				15	33	18	0.45	16	17	1	1.1
								27	29	2	1.33

HOLEID	Easting	Northing	DEPTH	Signifcant Intersections (>0.1g/t Au)				Signifcant Intersections (>0.5g/t Au)			
				From	To	Interval	Grade	From	To	Interval	Grade
JBRR066	439024	9606164	200	12	20	8	0.47	13	15	2	1.24
				31	40	9	0.28				
				64	69	5	0.17				
				75	81	6	0.27				
				89	91	2	1.3	90	91	1	2.48
				110	114	4	0.22				
				132	200	68	1.5	133	161	28	1.95
								162	183	21	1.46
				186	200	14	1.11				
JBRR067	439174	9606201	124	67	73	6	0.36	68	70	2	0.89
				78	83	5	0.23				
				85	87	2	0.27				
				93	103	10	0.68	99	103	4	1.22
				113	123	10	0.27				
JBRR068	439166	9606260	134	3	12	9	0.64	3	6	3	1.47
				14	22	8	0.76	15	20	5	1.03
				27	58	31	0.52	27	34	7	0.83
								50	52	2	1.23
				75	98	23	0.63	86	95	9	1.31
JBRR069	439164	9606371	90	36	38	2	0.29				
				54	56	2	0.39				
				86	90	4	0.32				
JBRR070	439220	9606098	187	123	131	7	0.8	128	131	3	1.6
				150	153	3	0.43				
				175	177	2	0.4				
JBRR071	439600	9606291	111	8	81	73	0.39	72	81	9	1.07
Assays pending for 81 - 111m											
JBRR072	439590	9606298	150	8	24	16*	0.37				
				32	48	16*	1.01	40	44	4*	3.16
				72	88	16*	0.41	76	80	4*	1.06
				120	132	12*	0.98	120	128	8*	1.36
JBRR073	439604	9606428	129	28	92	64*	0.4	28	40	12*	0.65
								60	68	8*	1.36
JBRR074	439594	9606428	123	12	72	60*	0.56	28	48	20*	0.93
								56	60	4*	1.1
				80	116	36*	0.65	80	100	20*	1.05
JBRR075	439601	9606548	87	12	80	68*	0.29	52	56	4*	1.68
								72	76	4*	0.66
JBRR076	439582	9606522	33	Hole abandoned before reaching target depth							
JBRR077	439587	9606521	95	Assays pending							
JBRR078	439027	9606178	80								
JBRR079	439015	9606245	81								
JBRR080	438982	9606247	130								
JBRR081	438988	9606180	81								
* 3-4m composite samples											

The information in this announcement that relates to Exploration Results is based on information compiled by Mr David Richards, a full time employee of Liontown 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 quality 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 an context in which is appears here.