



LIONTOWN RESOURCES LIMITED

ABN 39 118 153 825

**Half-Year Report
31 December 2014**

Liontown Resources Limited

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Liontown Resources Limited

Directors' Report

For the half-year ended 31 December 2014

DIRECTORS' REPORT

Your directors submit the financial report for Liontown Resources Limited ("Liontown" or "the Group") for the half-year ended 31 December 2014. In compliance with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Tim Goyder	Chairman
David Richards	Managing Director
Craig Williams	Non-Executive Director
Anthony Cipriano	Non-Executive Director (Appointed 1 July 2014)

REVIEW OF OPERATIONS

1. Jubilee Reef Joint Venture Project (Northern Tanzania) (Liontown 100%)

During the half-year, Liontown finalised the acquisition of the remaining 34% interest in the Jubilee Reef Gold Project in Tanzania, East Africa from joint venture partner Currie Rose Resources Inc ("Currie Rose"), giving it 100% ownership of the project.

The Agreement to acquire Currie Rose's remaining equity was announced on 29 April 2013 and final settlement was dependent on formal transfer of key underlying tenure to Liontown. These transfers occurred on 16 December 2014 and in consideration, Liontown has issued 12 million shares to Currie Rose to complete the transaction.

Previous exploration at Jubilee Reef has recorded significant gold values from a number of prospects and work will now focus on planning the 2015 field program.

2. Mount Windsor Project (Queensland) (Liontown 100%)

The Mount Windsor Project was established in 2007 and has comprised up to 23 EPMs covering a total area >4,000km², however, the number of tenements and total area has varied with time as ongoing exploration and data reviews have resulted in the relinquishment and acquisition of different areas.

The Liontown base metal deposit and surrounding EPM, which were part of the original land package, was sold to Kagara Limited ("KZL") in 2009 with the consideration comprising two tranches; i.e.

- Tranche 1 – Immediate issue of KZL shares to the value of \$2,250,000; and
- Tranche 2 – A cash payment of \$2,250,000 on either a formal decision to mine the Liontown deposit or if the deposit was sold to a third party.

Subsequent to the Liontown sale, Kagara was placed in liquidation. Completion of the sale on 31 October 2014 of Kagara's Thalanga Operations, which included the Liontown Deposit, to Red River Resources Limited triggered Tranche 2. Following negotiation with the receiver, Liontown agreed to accept the sum of \$465,500 as full and final settlement of the outstanding consideration, and settlement was completed in November 2014.

Liontown's existing Mt Windsor Project tenure covers approximately 130km² and future work will focus on the Allandale and Kookaburra prospects where large, high order geochemical anomalies have been defined.

Liontown Resources Limited

Directors' Report

For the half-year ended 31 December 2014

Allandale Prospect

The Allandale prospect is a plus 4km long mineralised system and exploration results indicate potential for the discovery of a high grade gold zone 150-300m below the surface. Geochemical data for gold and associated pathfinder elements (arsenic, antimony and mercury) show lateral and vertical trends that may be consistent with upper part of a low sulphidation, epithermal gold systems analogous to the Vera Nancy lodes at Pajingo located approximately 90km to the east south east.

Limited reverse circulation Drilling by CRA in 1992 (10 holes/925m) intersected broad zones of low grade mineralisation and there has been no drilling since. Liontown plans to drill beneath the better CRA intersections and historic stibnite workings on Antimony Hill, which have never been tested at depth.

The Company has been successful in qualifying for up to \$65,750 funding under Round 8 of the Queensland government's Future Resources Program – Collaborative Drilling Initiative to complete this proposed drilling.

3. Rupa Suguti Project/Northern Tanzania

On 26 November 2014, Liontown terminated the option agreement with the underlying tenement owner of the Rupa Suguti Project.

4. Ibagu Project/Northern Tanzania

Following drill testing which failed to intersect any significant mineralisation, Liontown has terminated all agreements with the relevant parties.

CORPORATE

Small Shareholding Sale Facility

In December 2014, the Company established a share sale facility for holders of small parcels of the company's shares. As a result, 8,019,336 shares held in 481 shareholdings were sold at a price of 0.6 cents per share. The Company now has 437 shareholders of ordinary shares on the register.

FINANCE

At 31 December 2014 the Group had net assets of \$5,220,645 (30 June 2014: \$5,122,548) and an excess of current assets over current liabilities of \$567,987 (30 June 2014: \$778,568). At 31 December 2014, cash at bank totalled \$613,359 (30 June 2014: \$976,735).

The Group reported a net loss for the period of \$513,581 (31 December 2013: \$275,457) which predominately relates to the impairment of the Rupa Suguti and Ibagu Projects.

Due to difficulties in raising capital at the current time, each Director agreed to accrue their respective Directors' fees from 1 October 2013 up until 30 September 2014. At the 2014 Annual General Meeting, shareholders approved the issue of 2,604,800 shares at a deemed issue price of 3 cents per share in lieu of their respective accrued Directors' fees. Director's fees will continue to be accrued from October 2014 until the Company and non executive directors agree otherwise.

The Company has forecast that it may need to seek additional funding in order to meet its operating and exploration expenditure for the next 12 months from the date of this report. Given the current weak equity markets for resource companies, there may be material uncertainty as to whether the Group will be able to continue as a going concern if it is unable to either raise additional capital or realise its existing assets. As a result, the Company's auditors have included in their Review Report an "Emphasis of Matter" paragraph. Refer to page 18 for the Independent Auditor's Review Report.

Liontown Resources Limited

Directors' Report

For the half-year ended 31 December 2014

EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no significant events after balance sheet date.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



David Richards
Managing Director

Dated at Perth this 25th day of February 2015.

The Information in this report that relates to the Exploration Results for the Mt Windsor Project is extracted from the ASX announcement entitled "Quarterly Activities Report for the quarter ended 31st December 2013" released on 30 January 2014 and is 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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Liontown Resources Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
25 February 2015



W M Clark
Partner

Liontown Resources Limited
Condensed Statement of Comprehensive Income
For the half-year ended 31 December 2014

		Consolidated	
Note	31 December 2014 \$	31 December 2013 \$	
Continuing Operations			
Other Income	494,995	11,945	
Net financing income	-	4,541	
Impairment of exploration and evaluation assets	(727,394)	-	
Exploration and evaluation expenditure expensed as incurred	(50,354)	(10,334)	
Corporate administrative expenses	(230,828)	(281,609)	
Loss before income tax	(513,581)	(275,457)	
Income tax expense	-	-	
Loss for the period attributable to owners of the parent	(513,581)	(275,457)	
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	462,196	136,500	
Total comprehensive loss after tax	(51,385)	(138,957)	
Basic and diluted loss per share attributable to ordinary equity holders (cents)	(0.11)	(0.07)	

Liontown Resources Limited
Condensed Statement of Financial Position
As at 31 December 2014

		Consolidated	
Note	31 December 2014 \$	30 June 2014 \$	
Current assets			
	613,359	976,735	
	61,297	69,235	
	674,656	1,045,970	
Non-current assets			
	25,000	25,346	
	59,795	67,379	
4	4,567,863	4,251,255	
	4,652,658	4,343,980	
	5,327,314	5,389,950	
Current liabilities			
	80,369	243,833	
	26,300	23,569	
	106,669	267,402	
	106,669	267,402	
Net assets			
	5,220,645	5,122,548	
Equity			
5	27,689,436	27,543,459	
	724,321	258,620	
	(23,193,112)	(22,679,531)	
	5,220,645	5,122,548	

Liontown Resources Limited
Condensed Statement of Changes in Equity
For the half-year ended 31 December 2014

	Consolidated				
	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 30 June 2014	27,543,459	(22,679,531)	39,481	219,139	5,122,548
Loss for the period	-	(513,581)	-	-	(513,581)
Exchange differences on translation of foreign operations	-	-	-	462,196	462,196
Total comprehensive loss for the period	-	(513,581)	-	462,196	(51,385)
Share issue – In lieu of Directors' Fees	78,144	-	-	-	78,144
Share issue – remaining 34% of Jubilee Reef project	72,000	-	-	-	72,000
Employee share options vested	-	-	3,505	-	3,505
Less -cost of share issues	(4,167)	-	-	-	(4,167)
Balance at 31 December 2014	27,689,436	(23,193,112)	42,986	681,335	5,220,645

	Consolidated				
	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$
Balance at 30 June 2013	26,110,007	(21,426,535)	134,039	279,589	5,097,100
Loss for the period	-	(275,457)	-	-	(275,457)
Exchange differences on translation of foreign operations	-	-	-	136,500	136,500
Total comprehensive loss for the period	-	(275,457)	-	136,500	(138,957)
Share issue – In lieu of Directors Fees	55,046	-	-	-	55,046
Employee share options vested	-	-	10,664	-	10,664
Transfer from share based payments reserve	-	134,039	(134,039)	-	-
Less cost of share issues	-	-	-	-	-
Balance at 31 December 2013	26,165,053	(21,567,953)	10,664	416,089	5,023,853

Liontown Resources Limited
Condensed Statement of Cash Flows
For the half-year ended 31 December 2014

Consolidated

	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities		
Cash paid to suppliers and employees	(233,047)	(288,565)
Interest received	9,396	5,145
Net cash used in operating activities	(223,651)	(283,420)
Cash flows from investing activities		
Payments for mining exploration and evaluation	(616,088)	(332,833)
Acquisition of property, plant and equipment	-	(28,793)
Settlement on consideration from sale of tenement	465,500	-
Net cash used in investing activities	(150,588)	(361,626)
Cash flows from financing activities		
Payments for share issue costs	(4,167)	-
Net cash used in financing activities	(4,167)	-
Net increase/(decrease) in cash and cash equivalents	(378,406)	(645,046)
Cash and cash equivalents at the beginning of the period	976,735	1,203,544
Effects of exchange rate fluctuations on cash held	15,030	26,008
Cash and cash equivalents at 31 December 2014	613,359	584,506

Liontown Resources Limited

Notes to the Condensed Financial Statements

For the half year ended 31 December 2014

1. Significant accounting policies

(a) Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Liontown Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

(b) Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

(c) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2014.

(d) Adoption of new and revised Accounting Standards

The accounting policies and methods of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2014.

The Group has adopted all of the new and revised Standards and Interpretations effective for the current year that are relevant to the Group. The directors note that there is no significant impact on the financial reports as a result.

Liontown Resources Limited
Notes to the Condensed Financial Statements
For the half-year ended 31 December 2014

(e) Going Concern

The Company has forecast that it may need to seek additional funding in order to meet its operating expenditure and planned exploration expenditure for the next 12 months from the date of signing these half-yearly financial statements and note the difficulties being faced by smaller exploration companies seeking to raise additional capital in the current market. If the Company is unable to raise further funds within the next 12 months, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business. As a result, the Company's auditors have included in their Review Report an "Emphasis of Matter" paragraph. Refer to page 18 for the Independent Auditor's Review Report.

Liontown Resources Limited

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2014

2. Segment reporting

Geographical segments

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the allocation of costs; whether they are corporate related costs or exploration costs. Results of both segments are reported to the Board of Directors at each board meeting.

	Exploration and Evaluation		Corporate		Total	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
	\$	\$	\$	\$	\$	\$
Proceeds from the sale of Tenements	465,500	-	-	-	465,500	-
Exploration Rent and Rates reimbursed	22,028	11,945	-	-	22,028	11,945
Impairment of exploration and evaluation assets	(727,394)	-	-	-	(727,394)	-
Exploration and evaluation expenses written off	(50,354)	(10,334)	-	-	(50,354)	(10,334)
Corporate and administrative expenses	-	-	(230,828)	(281,609)	(230,828)	(281,609)
Segment net gain/ loss after tax	(290,220)	1,611	(230,828)	(281,609)	(521,048)	(279,998)
Unallocated income/(expenses)						
Net financing income					7,467	4,541
Loss before income tax					(513,581)	(275,457)
	Exploration and Evaluation		Corporate		Total	
	31 December 2014	30 June 2014	31 December 2014	30 June 2014	31 December 2014	30 June 2014
	\$	\$	\$	\$	\$	\$
Segment assets:						
Exploration and evaluation assets	4,567,863	4,251,255	-	-	4,567,863	4,251,255
Other	119,183	44,364	43,025	95,363	162,208	139,727
	4,687,046	4,295,619	43,025	95,363	4,730,071	4,390,982
Unallocated assets					597,243	998,968
Total assets					5,327,314	5,389,950
Segment liabilities	21,604	114,630	85,065	152,772	106,669	267,402

Liontown Resources Limited
Notes to the Condensed Financial Statements
For the half-year ended 31 December 2014

3. Loss before income tax

The following income and expense items are relevant in explaining the financial performance for the half-year:

	2014	2013
	\$	\$
(a) Other Income		
Exploration rent and rates reimbursed on tenements previously written off	22,028	11,945
Consideration from sale of mineral property (1)	465,500	-
Other Income	7,467	-
	494,995	11,945

(1) The Liontown base metal deposit and surrounding EPM was sold to Kagara Limited in 2009. Subsequent to the sale Kagara was placed into liquidation. Liontown agreed to accept \$465,500 as the full and final settlement from the receiver in November 2014.

	2014	2013
	\$	\$
(b) Corporate administrative expenses		
Depreciation and amortisation	6,575	8,692
Insurance	18,107	17,980
Legal fees	4,450	18,600
Corporate service charge	32,500	54,000
Personnel expenses	130,376	125,644
Regulatory and compliance	40,173	56,982
Other	(1,353)	(289)
Total	230,828	281,609

4. Exploration and evaluation expenditure

	6 months to 31 December 2014	Year to 30 June 2014
	\$	\$
Cost brought forward	4,251,255	3,834,295
Acquisition of 34% of Jubilee Reef Gold Project ⁽¹⁾	72,203	-
Expenditure incurred during the period	558,038	1,276,445
Impairment of exploration and evaluation assets	(727,394)	-
Exploration and evaluation expenditure expensed as incurred	(50,354)	(810,954)
Effects of movements in exchange rates	464,115	(48,531)
Total	4,567,863	4,251,255

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of their respective areas.

(1) During the half-year, 12 million shares were issued to Currie Rose Inc to acquire the remaining 34% of the Jubilee Reef Project.

Liontown Resources Limited
Notes to the Condensed Financial Statements
For the half-year ended 31 December 2014

5. Issued capital

	31 December 2014		30 June 2014	
	No.		No.	
Issued and fully paid ordinary shares	460,766,170		446,161,370	

	6 months to 31 December 2014		Year to 30 June 2014	
	No.	\$	No.	\$
Balance at 1 July	446,161,370	27,543,459	391,789,575	26,110,007
Share issue – rights issue	-	-	50,010,000	1,500,300
Share issues ⁽¹⁾	12,000,000	72,000	-	-
Share issues – in lieu of director’s fees ⁽²⁾	2,604,800	78,144	4,361,795	55,046
Less share issue costs	-	(4,167)	-	(121,894)
Balance at end of period	460,766,170	27,689,436	446,161,370	27,543,459

(1) During the half-year the Company issued 12,000,000 fully paid ordinary shares to Currie Rose Inc in consideration for the acquisition of the remaining 34% interest in the Jubilee Reef Gold Project in Tanzania.

(2) Following shareholder approval at the 2014 Annual General Meeting, the Company issued 2,604,800 fully paid ordinary shares to the Directors in full satisfaction of unpaid directors’ fees of \$78,144 for the period from October 2013 to September 2014.

6. Share Options

	6 months to 31 December 2014	Year to 30 June 2014
	No.	No.
Movements in unlisted options over ordinary shares on issue:		
At 1 July	5,850,000	4,650,000
Options expired	-	(4,650,000)
Options issued	-	5,850,000
At balance date	5,850,000	5,850,000
Movements in listed options over ordinary shares on issue:		
At 1 July	32,649,048	32,649,048
Listed options issued under rights issue	-	-
At balance date	32,649,048	32,649,048
Total share options on issue	38,499,048	38,499,048

Liontown Resources Limited
Notes to the Condensed Financial Statements
For the half-year ended 31 December 2014

7. Related Parties

Key management personnel

Key management personnel including non-executive directors receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payment awards. For the six months ended 31 December 2014, executive personnel received total compensation of \$91,145 (six months ended 31 December 2013: \$95,664) and non-executive directors received total compensation of \$56,717 (six months ended 31 December 2013: \$57,462).

Directors' fees outstanding shares issued

Due to market conditions and with an emphasis on conserving cash reserves, directors agreed, from 1 October 2013, to continue to accrue director fees but defer the payment of directors' fees until further notice. The board agreed, subject to shareholder approval, that each non-executive director with the Company will take Shares in full satisfaction of their respective outstanding fees as at 30 September 2014. At the Annual General Meeting held on 26 November 2014, shareholders approved the following issue of shares at 3 cents per share:

Director	Directors' Fees Outstanding	Shares Issued
Tim Goyder	\$42,452	1,415,067
Craig Williams	\$29,887	996,233
Anthony Cipriano	\$5,805	193,500
Total	\$78,144	2,604,800

The deemed issue price of 3 cents per share was determined by reference to the most recent capital raising undertaken by the Company in May 2014. The volume weighted average sale price on ASX of the Shares during the 5 days preceding 10 October 2014 was 2.1 cents ("VWAP"), therefore the deemed issue price of 3 cents was 42.86% higher than the VWAP.

It was also agreed at the board meeting on 26 September 2014 to continue to accrue directors' fees from 1 October 2014 until further notice. At 31 December 2014 the balance of directors' fees owing was \$14,292

Other related parties transactions

The group receives corporate services including office rent and facilities, management, accounting and company secretarial services under a Corporate Services Agreement with Chalice Gold Mines Limited. Mr Goyder is a Director of Chalice Gold Mines Limited and prior to this was the Executive Chairman. Mrs Stevens is the Company Secretary of Chalice Gold Mines Limited. Amounts billed are based on a proportionate share of the cost to Chalice Gold Mines Limited of providing the services and have normal payment terms. The total amount paid during the period was \$32,500 (six months ended 31 December 2013: \$54,000). An amount of \$5,000 (six months ended 31 December 2013: \$9,000) was outstanding and payable at the end of the period.

8. Events Subsequent to Reporting Date

There were no significant events after balance sheet date.

9. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

Liontown Resources Limited

Directors' Declaration

In the opinion of the directors of Liontown Resources Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Dated this 25th day of February 2015.

A handwritten signature in cursive script, appearing to read 'David Richards', written in dark ink.

David Richards
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Liontown Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Liontown Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Liontown Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(e) in the half-year report, which indicates that the Group may need to seek additional funding in order to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing the half-year report. Should the need arise and should additional funding not be obtained, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise assets and extinguish its liabilities in the normal course of business.



HLB Mann Judd
Chartered Accountants



W M Clark
Partner

Perth, Western Australia
25 February 2015