

ASX ANNOUNCEMENT

28 May 2015

## Non-renounceable Rights Issue

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### Summary:

- **1-for-4** non-renounceable pro-rata rights issue at **\$0.007** to raise up to **\$806,341** before issue costs
- Funds to be used for a drilling program at the Jubilee Reef Project in northern Tanzania and for general working capital requirements

Liontown Resources Limited (ASX: LTR) (the **Company** or **Liontown**) advises that it will undertake a 1-for-4 non-renounceable rights issue to eligible shareholders at \$0.007 for each new share (**New Share**) to raise up to \$806,341 before issue costs (the **Offer**). Directors, accounting for approximately 27.9% of total shares on issue have committed to fully take up their entitlements.

**Shareholders at the Record Date may apply for additional shares, over and above their entitlement at \$0.007 per share (Additional Shares).**

Subject to the satisfactory completion of the Offer, funds raised will be used to conduct a drilling program at the Jubilee Reef Project in northern Tanzania where a review of exploration data has defined a new, high order 1km long gold target at the Simba prospect. The funds may also be applied to an exploration program at the Company's Allandale Project in northern Queensland and for general working capital.

### **Jubilee Reef, Tanzania (100% Liontown)**

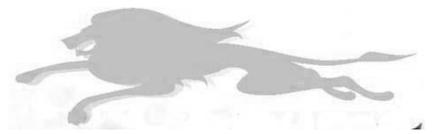
The Simba prospect is located in the southwest corner of the Jubilee Reef Project where previous drilling has recorded a number of significant, gold intersections. Gold mineralisation at Simba was interpreted to continue westward but Liontown's drilling was constrained by the western boundary of the Jubilee Reef Project. In March 2015, Liontown acquired the adjacent area which had been held by Acacia Mining (formerly African Barrick).

A review of Acacia's database indicated that RC/diamond core drilling had recorded a number of significant gold intersections confirming the westward extension of the mineralised system.

The combination of Liontown's and Acacia's datasets has highlighted a SW/NE gold trend (Zone A), including significant drill intersections, which align with the underlying bedrock as defined by aeromagnetic data. Zone A is also coincident with strong gold anomalism defined by soil sampling with a good spatial relationship between the better drill intersections and peak (>100ppb Au) soil values. Furthermore, the eastern half of the soil anomaly is largely untested by drilling including the NE extension of Zone A where >100ppb gold in soil values continue for a further 300m. Of particular note is that the highest soil value (810ppb Au) for the prospect has not been tested by drilling.

### **Allandale, Queensland (100% Liontown)**

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 maybe consistent with upper part of a low sulphidation, epithermal gold system analogous to the Vera Nancy lodes at Pajingo located approximately 90km to the ESE.



RC 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 located on and adjacent to Antimony Hill, which have never been tested at depth.

### Next Steps

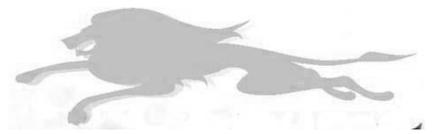
Initially Liontown will focus on the Jubilee Reef Project where the Company considers Zone A at the Simba prospect to be a highly prospective target and a 14 hole, 1600m Reverse Circulation (**RC**) drill program has been designed to test its continuity and for possible strike extensions. The proposed drilling program, which is planned to commence pending drill rig availability, will test a total strike length of approximately 1.2km. The mineralised trend remains open along strike and there are a number of probable parallel zones which provide further exploration upside if the planned drilling program intersects strong gold results.

A staged drilling program is planned to test the gold system at Allandale in Queensland, evaluating the target zone below previous CRA drill intercepts and underlying historic antimony workings.

### Indicative Offer Timetables

The key dates for the Offer are set out below. The dates are indicative only and the Company reserves the right to vary them subject to requirements of the ASX Listing Rules.

Item	Date
Lodgement of Appendix 3B and Prospectus with ASX Notice of Entitlement Offer sent to Optionholders	28 May 2015
Notice of Entitlement Offer sent to Shareholders	2 June 2015
Shares quoted on an "EX" basis	3 June 2015
Record Date for determining Entitlements	5 June 2015
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	11 June 2015
Last day to extend the offer closing date	17 June 2015
Closing Date of Entitlement Offer (5pm WST)*	22 June 2015
Shares quoted on a deferred settlement basis	23 June 2015
Notification of Shortfall	25 June 2015
Anticipated date for issue of the Securities. Deferred settlement trading ends	29 June 2015
Anticipated date for commencement of Shares trading on a normal settlement basis	30 June 2015



### Further Information

The Offer is being made to shareholders with registered addresses in Australia and New Zealand on the Record Date of the Offer, which is 5:00pm (AWST) on 5 June 2015 (**Eligible Shareholders**). Shareholders with a registered address outside Australia and New Zealand will not be eligible to participate in the Offer. As the Offer is non-renounceable, Eligible Shareholders will not be able to sell or otherwise transfer their entitlements.

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between applications received from Eligible Shareholders, and the number of New Shares proposed to be issued under the Offer. Additional Shares will be issued at the discretion of the Directors at the issue price of \$0.007 per Additional Share.

If any shortfall remains after the allocation of Additional Shares to Eligible Shareholders as set out above, the Directors reserve the right to place the remaining shortfall at their discretion (at a price not less than the issue price of \$0.007 per Share) within three months of the close of the Offer.

Full details of the Offer will be contained in a Prospectus to be lodged with ASX (and available from ASX's website at [www.asx.com.au](http://www.asx.com.au)) and to be despatched to Eligible Shareholders in accordance with the indicative timetable set out above. The Prospectus will also be available on the Company's website at [www.ltresources.com.au](http://www.ltresources.com.au).

The Company will lodge with ASX an Appendix 3B under which the Company will apply for quotation on ASX of the New Shares to be issued pursuant to the Offer.

Yours faithfully,

Tim Goyder  
Chairman

*The Information in this document that relates to the Exploration Results for the Jubilee Reef Project is extracted from the ASX announcement entitled "Liontown Defines New Drill Target at Jubilee Reef" released on 14 May 2015 and available on [www.ltresources.com.au](http://www.ltresources.com.au).*

*The Information in this document that relates to the Exploration Results for the Allandale Project is extracted from the ASX announcement entitled "Quarterly Activities Report for the quarter ended 31st March 2015" released on 16 April 2015 and available on [www.ltresources.com.au](http://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 document 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.*