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23 December 2015

Mr Ben Secrett  
Senior Adviser  
ASX Compliance Pty Ltd  
Level 40 Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

By email: [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au)  
[ben.secrett@asx.com.au](mailto:ben.secrett@asx.com.au)

Dear Ben

#### Response to ASX Aware Query

We refer to your letter to Liontown Resources Limited (**Entity**) dated 21 December 2015 and respond to your questions as follows. We have used the same defined terms as used in your letter.

1. **Does the Entity consider the Mapping and Sampling Details disclosed in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

No.

2. **If the answer to question 1 is “no”, please advise the basis for that view.**

The Company announced on 24 November 2015 (**Previous Announcement**) that it had secured a highly prospective lithium-tantalum exploration project in central Tanzania (**Mohanga Project**). The Company also disclosed in the Previous Announcement that it would be undertaking geological mapping followed by systematic trenching to define targets for initial drill testing at the Mohanga Project. This information was subsequently disclosed in the Company's announcement of 18 December 2015 (**Announcement**) (the "Mapping and Sampling Details" as defined in your letter).

As disclosed in the Previous Announcement, the only exploration activities undertaken prior to the Entity's acquisition of the Mohanga Project had been reconnaissance rock chip sampling. The intention of the mapping and sampling activities was to define targets for initial drill testing. The information conveyed in the Mapping and Sampling Details is of a very preliminary nature and does not provide any evidence of the existence of any mineralisation.

The Mapping and Sampling Details simply identifies prospect areas with recorded pegmatite. This information will be used by the Entity to develop its targets for initial drill testing and/or trenching. Although pegmatite must be present in order for lithium mineralisation to occur, its presence does not necessarily mean that lithium mineralisation has actually occurred. It should also be noted that the Previous Announcement advised that historic mapping had already recorded multiple pegmatite occurrences within the Mohanga Project area. Accordingly, the Mapping and Sampling

Details did not contain any material new information as the Entity had previously disclosed the existence of pegmatite in the Mohanga Project area.

Again, as noted in the Announcement, assays for the rock chip and channel sampling are expected in late January 2016. While the results of the assays may be considered information that a reasonable person would expect to have a material effect on the price or value of the Entity's securities, the preliminary Mapping and Sampling Details is not.

The Board considered that, notwithstanding its view that the Mapping and Sampling Details did not constitute information that a reasonable person would expect to have a material effect on the price or value of its securities, it would be prudent to release the information as it updated the information disclosed in the Previous Announcement.

In addition, notwithstanding the Board's view that the Mapping and Sampling Details did not constitute information generated by a mineral exploration program that might be of use to investors (i.e. "Exploration Results" as defined in the JORC Code), it elected to include Sections 1 and 2 of the JORC Table 1 in the Announcement in the interests of full and comprehensive disclosure.

As the Company did not and does not consider the Mapping and Sampling Details to constitute information that a reasonable person would expect to have a material effect on the price or value of the Entity's securities, it would not in the normal course have requested a trading halt pending the release of the Announcement. The trading halt was requested following the receipt of the Price Query Letter from ASX. ASX advised the Entity that it required the Announcement be released at the same time as the Entity's response to the Price Query Letter. The Entity needed further time to finalise the Announcement as the executive who had supervised the mapping and sampling work had only returned to the Perth office from Tanzania the previous evening (~6pm). The Mapping and Sampling was also ongoing until late on Wednesday 16<sup>th</sup> December meaning that final statistics were not available until mid morning on Thursday 17<sup>th</sup> December.

The Entity also notes the following:

- (a) based on discussions with various market participants and investors and a review of online share market forums, the increase in the trading price of the Entity's shares on Thursday, 17 December 2015 may have been the result of speculation in other ASX-listed lithium companies, including General Mining Corporation Limited (ASX:GMM) which announced a successful capital raising of \$7.3 million the same day.
  - (b) The West Australian newspaper published an article in its business section titled "Rio revives interest in Serbian lithium project" on 17 December 2015; and
  - (c) the value of the Entity's shares traded on Thursday, 17 December 2015, the subject of the Price Query Letter, only amounted to approximately \$46,000 (based on the closing price of \$0.015 on 17 December 2015).
3. If the answer to question 1 is "yes", when did the Entity first become aware of the Mapping and Sampling Details disclosed in the Announcement? In answering this question, please specify the time and date when the Entity first became aware of the Mapping and Sampling Details or any part thereof.

Not applicable.

4. If the answer to question 1 is "yes" and the Entity first became aware of the Mapping and Sampling Details disclosed in the Announcement before the Entity received the Price Query Letter from ASX, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was

obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.

Not applicable.

5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

The Entity confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L Stevens', written in a cursive style.

Leanne Stevens  
Company Secretary



21 December 2015

Leanne Stevens  
Company Secretary  
Liontown Resources Limited  
Level 2, 1292 Hay Street  
WEST PERTH WA 6005

By email

Dear Ms Stevens

**LIONTOWN RESOURCES LIMITED (“ENTITY”): ASX AWARE LETTER**

ASX Limited (“ASX”) refers to the following.

1. The recent change in the price of the Entity’s securities from a closing price of \$0.01 on Wednesday, 16 December 2015 to an intra-day high of \$0.015 on Thursday, 17 December 2015 before the Entity’s securities were placed in trading halt session state.
2. The Entity’s announcement entitled “Mohanga Lithium – Tantalum Project – Exploration Update” released on the ASX Market Announcements Platform (“Platform”) at 6.31am AWST on Friday, 21 December 2015 (the “Announcement”), disclosing the details of systematic mapping and sampling recently conducted at the Company’s Mohanga Lithium-Tantalum Project (“Mapping and Sampling Details”).
3. The price query letter issued to the Entity by ASX on Thursday, 17 December 2015 (“Price Query Letter”) and the Entity’s response to the Price Query Letter that was released on the Platform at 6.39am AWST on Friday, 18 December 2015 which stated that “exploration activities at the Mohanga Lithium Project in Tanzania have been taking place over the last 2-3 weeks and the Company has today announced an update of these activities”.
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.



6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

7. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “Listing Rule 3.1A.2 – the requirement for information to be confidential”. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the Mapping and Sampling Details disclosed in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the Mapping and Sampling Details disclosed in the Announcement? In answering this question, please specify the time and date when the Entity first became aware of the Mapping and Sampling Details or any part thereof.



4. If the answer to question 1 is “yes” and the Entity first became aware of the Mapping and Sampling Details disclosed in the Announcement before the Entity received the Price Query Letter from ASX, did the Entity make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 4.30pm AWST on Wednesday, 23 December 2015**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au) and [ben.secrett@asx.com.au](mailto:ben.secrett@asx.com.au). It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.



### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Please contact me if you have any queries or concerns about the above.

Yours sincerely

*[sent electronically without signature]*

Ben Secrett  
**Senior Adviser, ASX Listings Compliance**