

ASX ANNOUNCEMENT

29 November 2016

Chairman's Address to Annual General Meeting

Good morning ladies and gentlemen

While the past year has delivered mixed fortunes for the resource sector, with a rapidly changing landscape often dictated by unexpected global events, I am pleased to say that Liontown has enjoyed a positive, active and ultimately very productive year.

At a time of considerable investor interest and activity in the lithium sector, we have been able to establish the foundations required to build a first-rate lithium-focused explorer and developer in Australia.

As a result, we now have a genuine opportunity to participate in what has emerged as one of the most exciting commodity growth sectors in recent times, driven by the rapid expansion of the lithium-ion battery industry globally and particularly in China.

Our focus has been to identify and secure projects in proven lithium districts, close to infrastructure, and where there is an opportunity to delineate JORC resources in the near term.

As some of the recent off-take deals in the lithium space have shown, there is a real opportunity to monetise high-grade spodumene resources very quickly, such is the current level of demand for lithium raw materials in China.

We believe that the three key projects which were secured during the year – Bynoe, Kathleen Valley and Lake Percy offer similar potential to some of the more advanced projects in Western Australia.

Whilst we have not yet made an economic discovery at Bynoe, we did intersect extensive lithium mineralisation at a number of prospects, with several intersections over significant widths.

More than 50 pegmatites remain to be tested at Bynoe which leaves considerable upside potential. As the results announced by our neighbour, Core Exploration, have shown, this is a pegmatite district which has considerable scale and grade potential, and yet is still very early in its discovery history.

In order to prioritise future drilling, a soil sampling program comprising approximately 1,000 samples has been completed (with assays pending) and a jointly funded, detailed aeromagnetic survey is scheduled to commence in December 2016. The results will give us the ability to refine and target our next phase of drilling, which will commence next year after the northern wet season.

Turning to WA, the Kathleen Valley Project is quickly emerging as a priority focus for our exploration efforts. We acquired the lithium rights to this area via an agreement with Ramelius Resources. Settlement of this agreement is very close to being completed and we expect to be able to announce this shortly.

An initial fully funded 3,500m, 25-35 hole Reverse Circulation drilling program is expected to start in the first quarter of 2017.

The main focus of work to date has included validating historical geological mapping and rock chip sampling results in the northern part of the project area, where previous exploration identified a 3.5km by 1km pegmatite swarm which includes two prospects – Mt Mann and Kathleen's Corner. Both prospects contain multiple spodumene-bearing pegmatites with numerous high grade lithium (>2% Li₂O) values reported.

Historical geological mapping indicates that the Mt Mann pegmatite occurred over a 700m strike with surface widths of up to 30m. Mapping by our geologists has identified additional pegmatite outcrops, doubling the strike length to greater than 1.4km with the trend remaining open to the north-west, where it is obscured by transported cover.

At Kathleen's Corner, traversing by Liontown geologists has confirmed the continuity of numerous shallowly dipping, strongly mineralised pegmatites over a strike length of 600m with the strike extensions again obscured by transported cover.

Between Mt Mann and Kathleen's Corner, a high-grade lithium mineralised pegmatite (with surface samples of up to 3.5% Li₂O) has been discovered, further enhancing the economic potential of the area.

We are very much looking forward to getting on the ground and drilling this exciting project, and we are confident that it could quite quickly emerge as a company-maker for Liontown.

Our third lithium project is the Lake Percy Project where we entered into a joint venture agreement with White Cliff Minerals and can earn up to 70% equity through direct exploration expenditure.

Assays are pending from in-fill soil sampling at Lake Percy, where our previous work defined strong lithium anomalism coincident with large pegmatites. Recent geological mapping indicates that these pegmatites locally exceed 100m in true thickness. We look forward to receiving further soil sampling results which should define possible mineralised zones for drill testing.

The Lake Percy Project is located in the heart of the emerging Forresteria Lithium Province which includes the Mt Cattlin spodumene mine (currently being commissioned by Galaxy Resources) and the Earl Grey discovery, where Kidman Resources has recently completed a resource drill-out and is expected to announce a maiden resource before year-end.

Last but not least, Liontown continues to maintain a 100% interest in the Jubilee Reef and Mohanga Projects in Tanzania. While our corporate focus has shifted to lithium and Australia, this should not detract from the fact that these projects remain valuable assets with significant exploration upside. We maintain our belief in these assets and are looking at strategic options to best advance the projects and optimise the return to shareholders.

In conclusion, Liontown now has three highly prospective lithium projects which have the potential to match the size and scale of more advanced projects in Australia. We have a much clearer understanding of the exploration potential of each project, and where the best opportunities are to make a commercial discovery. We have active drilling programs planned for all three over the coming months.

I am very confident about Liontown's future and, while there will be challenges ahead, I strongly believe we will be able to provide shareholders with an opportunity for capital growth over the year ahead.

In the meantime, I would like to thank all of our shareholders for their ongoing support, particularly in the recently completed rights issue which allowed us to press ahead with our exploration efforts expeditiously.

On behalf of the Board, I would also like to thank David Richards for the huge effort he has made in building the Company over the last 12 months as well as my fellow directors, employees and consultants.

Thank you.



Tim Goyder
Chairman

Competent Person's Statement

The Information in this report that relates to Exploration Results for the Bynoe Project is extracted from the ASX Announcement entitled "Liontown Maintains Exploration Momentum across Three Australian Lithium Projects" released on 23 November 2016 and is available at www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Kathleen Valley Project is extracted from the ASX announcement entitled "Lithium-tantalum potential at Kathleen Valley significantly expanded" released on 6 September 2016 which is available at www.ltresources.com.au.

The Information in this report that relates to the Exploration Results for the Lake Percy Project is extracted from the ASX announcement entitled "Liontown confirms lithium potential at Lake Percy" released on 27 October 2016 and is available at www.ltresources.com.au.

Mr Richards has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.