

ASX ANNOUNCEMENT

5 JULY 2018

## Junior Minerals Exploration Incentive - Successful application for 2018/2019 year

### HIGHLIGHTS

- **Liontown Resources has been successful in its application for participation in the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme for the 2018/2019 income year**
- **JMEI credits may be distributed to Eligible Shareholders as a tax offset or franking credit for the 2018/2019 year**
- **To be eligible for the 2018/2019 year, shareholders must participate in any future Liontown capital raising activities (if any) between 1 July 2018 and before 30 June 2019**
- **Only new shares issued by Liontown Resources are eligible for JMEI credits**

Liontown Resources (ASX: LTR) is pleased to announce that it has been advised by the Australian Taxation Office (ATO) that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2018/2019 tax year has been accepted.

"Eligible Shareholders" must be Australian residents who apply for and are issued shares in Liontown's capital raising activities (if any) between 1 July 2018 and 30 June 2019. JMEI credits will be distributed to all Eligible Shareholders on a pro-rata basis.

### **About the JMEI Scheme**

The Federal Parliament passed legislation in March 2018 that introduced the JMEI scheme with effect from 1 July 2017. This scheme is voluntary and companies must apply each year to participate.

The JMEI scheme encourages investment in small mineral exploration companies that carry out "Greenfields" mineral exploration in Australia, by allowing such companies to generate a tax incentive by choosing to give up a portion of their losses from "Greenfields" mineral exploration expenditure for distribution to investors.

The exploration credit that can be issued to an investor is limited to the amount paid by the investor to acquire the new shares multiplied by the corporate tax rate.

Eligible Shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders should obtain independent tax advice specific to their personal circumstances.



### **Liontown's participation in the scheme**

The Company has received an allocation of up to \$1,127,500 in tax credits which can be distributed to Eligible Shareholders. Only those shareholders (Eligible Shareholders) who are issued new Liontown shares between 1 July 2018 and 30 June 2019 (Eligibility Period) are entitled to receive JMEI credits.

Liontown has not determined the timing of any future equity raising (if any). Investors should be aware that Liontown cannot guarantee that Eligible Shareholders will receive the maximum number of JMEI credits available as the actual number of JMEI credits received by each Eligible Shareholder for the 2018/19 income year will be dependent on a number of factors including:

- the actual amount of allowable exploration incurred by Liontown in the 2018/19 financial year;
- the total number of Liontown shares issued between 1 July 2018 and 30 June 2019;
- The Company's tax losses for the 2018/19 financial year, and
- each shareholder's individual financial circumstance

Eligible Shareholders are expected to be notified by the Company of their JMEI credit entitlement (if any) in the approved form once Liontown has lodged its 2018/19 tax return. These JMEI credits will apply to their income tax assessment for the year ended 30 June 2019.

For further information about the JMEI please refer to the ATO website at:

<https://www.ato.gov.au/general/new-legislation/in-detail/direct-taxes/income-tax-for-businesses/junior-minerals-exploration-incentive/>

DAVID RICHARDS  
Managing Director

For More Information:

David Richards  
Managing Director  
T: +61 8 9322 7431

Investor Relations:

Nicholas Read  
Read Corporate  
T: +61 8 9388 1474

### **FORWARD LOOKING STATEMENT**

*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*