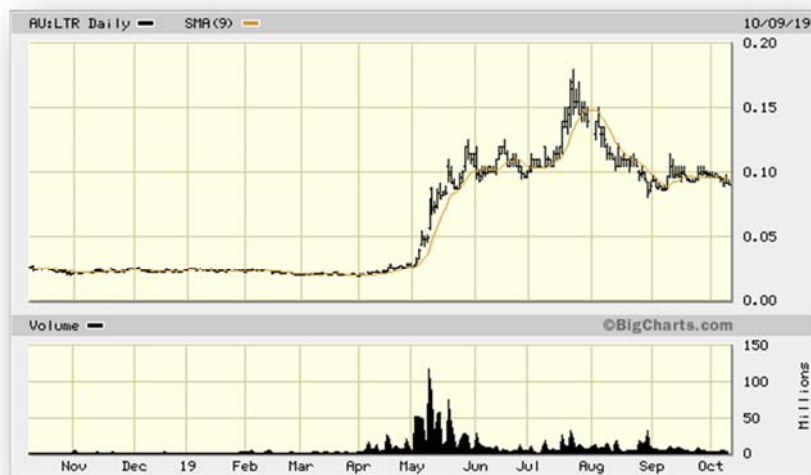


Thursday 10<sup>th</sup> October, 2019

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### Portfolio Stock Update

**Liontown Resources** - (ASX: LTR, Share Price: \$0.091, Market Cap: \$140m – coverage initiated @ \$0.025 in February 2019 – *current gain of 264%*)



### Key Catalyst

***Thick, high-grade lithium mineralisation intersected over a strike length of 1.4km at Kathleen Valley, with the mineralised trend still open to the northwest and up- and down-dip.***

LTR has been an outstanding recent sharemarket performer, with investors finally waking up to the significance of the scale and high-grade nature of the company's Kathleen Valley lithium project in Western Australia. Aggressive drilling activity recently led to a massive 353% resource upgrade at Kathleen Valley, testament to management's methodical and low-key approach. A positive Scoping Study released during January 2019 had already highlighted potential for a viable stand-alone lithium mining and processing operation, with a DFS on target for release during Q3 2020. Resource definition drilling is also underway at the company's Buldania Project, where the latest results have enhanced the overall geological understanding and will be incorporated into a maiden Mineral Resource Estimate.

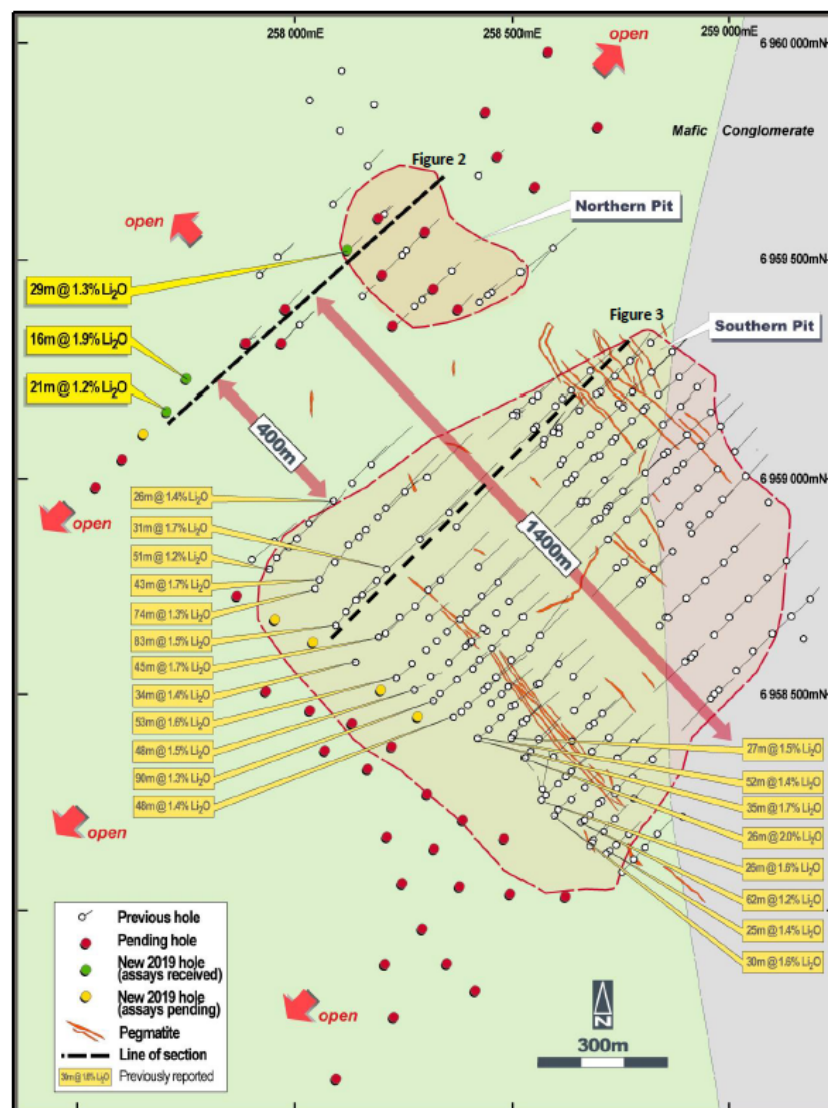
## Latest Activity

### Kathleen Valley Project Update

LTR has kicked off its much-anticipated follow-up drilling program at Kathleen Valley, with the program comprising 15,000m of resource expansion drilling.

The latest program is designed to test for a resource extension Exploration Target comprising 25 – 50Mt @ 1.2 – 1.5% Li<sub>2</sub>O, which was defined based on testing for extensions of the current Mineral Resource estimate, from the limits of previous drill data to a vertical depth of ~500m below surface. This Exploration Target is in addition the current 74.9Mt Mineral Resource Estimate (MRE).

With the program still in its infancy, LTR has reported positive results from the initial holes, which have extending the mineralised system up to 400m to the northwest. Some of the best intercepts include 29m @ 1.3% Li<sub>2</sub>O from 256m in hole KVR0136A and 16m @ 1.9% Li<sub>2</sub>O from 294m in hole KVR0264.

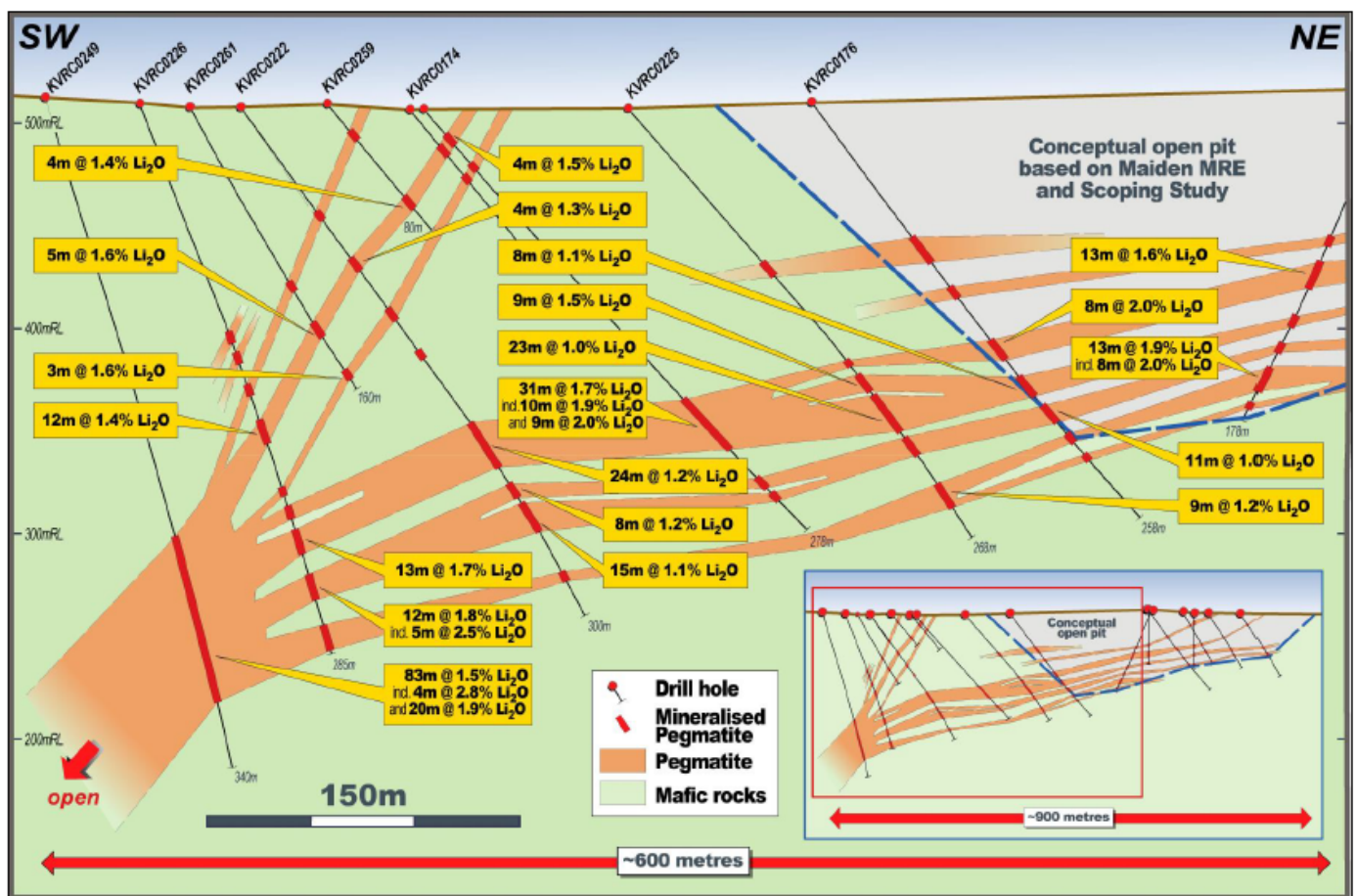


**Figure 1:** Kathleen Valley – Drill hole plan showing proposed holes and better lithium intersections from current and previous 2019 drilling program.

## Technical Significance

The latest assay results have confirmed that high-grade mineralisation extends beneath shallow soil cover to the northwest.

Furthermore, the latest mineralised intercepts are interpreted to lie up-dip and along strike of a thick feeder zone of up to 75m in width that's been partially defined to the south. This feeder zone has been formed by the coalescing of multiple, outcropping pegmatites at depth to form a continuous, moderately-dipping pegmatite body. This body remains open both along strike and at depth, has been intersected over a strike length of at least 600m, and forms part of larger high-grade mineralised system that has now been defined over a minimum strike length of 1.4km and to depth of 400m below surface.



**Figure 2:** Kathleen Valley – Drill-section showing mineralised pegmatites coalescing to form feeder zone.

## Next Steps

Significantly, the larger mineralised system remains open to the northwest and both up- and down-dip, with future drilling estimated to take another 2-4 months to complete. In addition to the ongoing drilling program, a Pre-Feasibility Study (PFS) based on the current MRE is scheduled for completion during Q4 2019 and will incorporate: comprehensive metallurgical test work; pit optimisation and scheduling; a review of infrastructure requirements; financial analyses of open pit mining; and a Scoping Study on potential additional underground Resources.



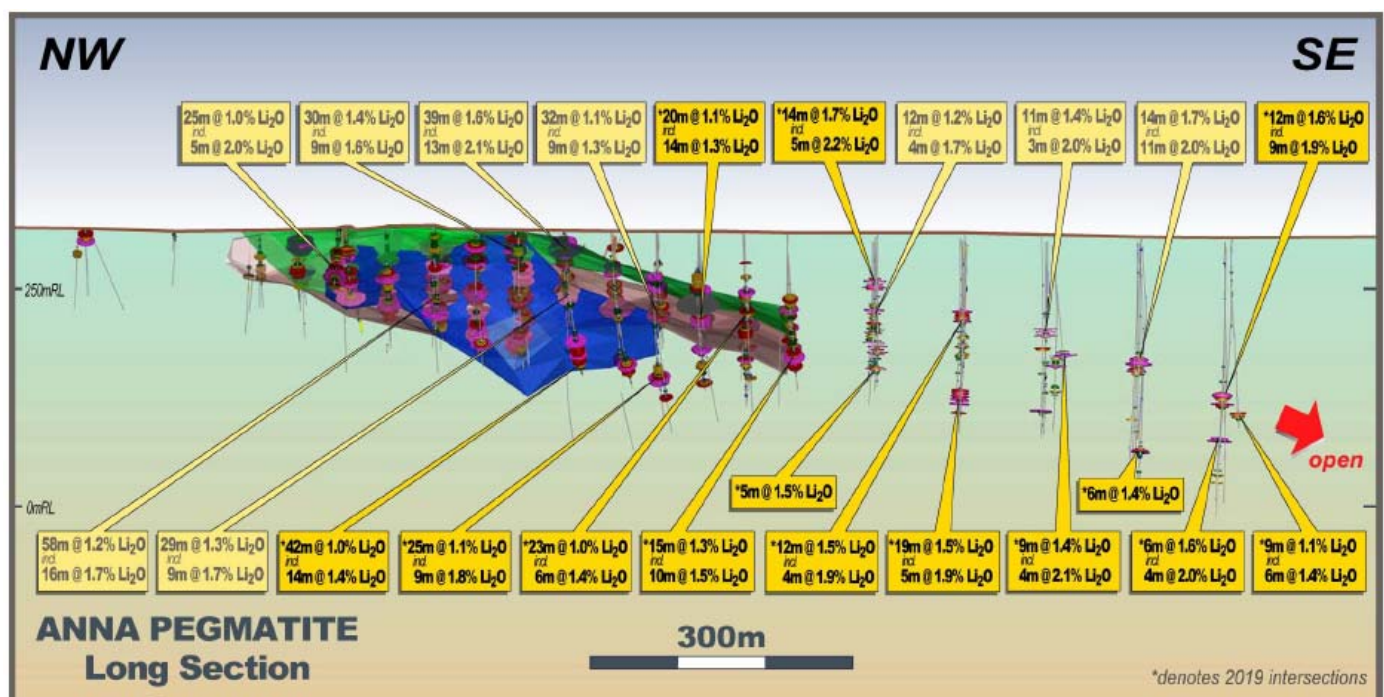
As a result of positive results from the Scoping Study released in January 2019 based on a smaller, maiden MRE, LTR envisages transitioning into a Definitive Feasibility Study (DFS) immediately following the PFS. Results from the latest drilling will be used to prepare an updated MRE for the DFS, which will include open-pit and underground resources and reserves.

## Buldania Project Update

Over recent times the market's focus has primarily been on LTR's advanced and rapidly-evolving Kathleen Valley lithium project, which has led to a significant re-rating in share price terms over recent months.

LTR's second lithium project, its Buldania project located in Western Australia's Norseman region, is beginning to develop momentum of its own. LTR received all final assay results from its most recent RC drilling program during September, generating significant lithium results at the main Anna prospect over an extended strike length of 1.4km, averaging 150 – 250m in width, in a NW/SE orientation.

Recent modelling indicates that the mineralisation is hosted by multiple, stacked, shallow south-east dipping, 5 – 25m thick, spodumene-bearing pegmatites that locally merge to form zones >50m thick. Mineralisation remains open along strike, down-dip and in places, up-dip.



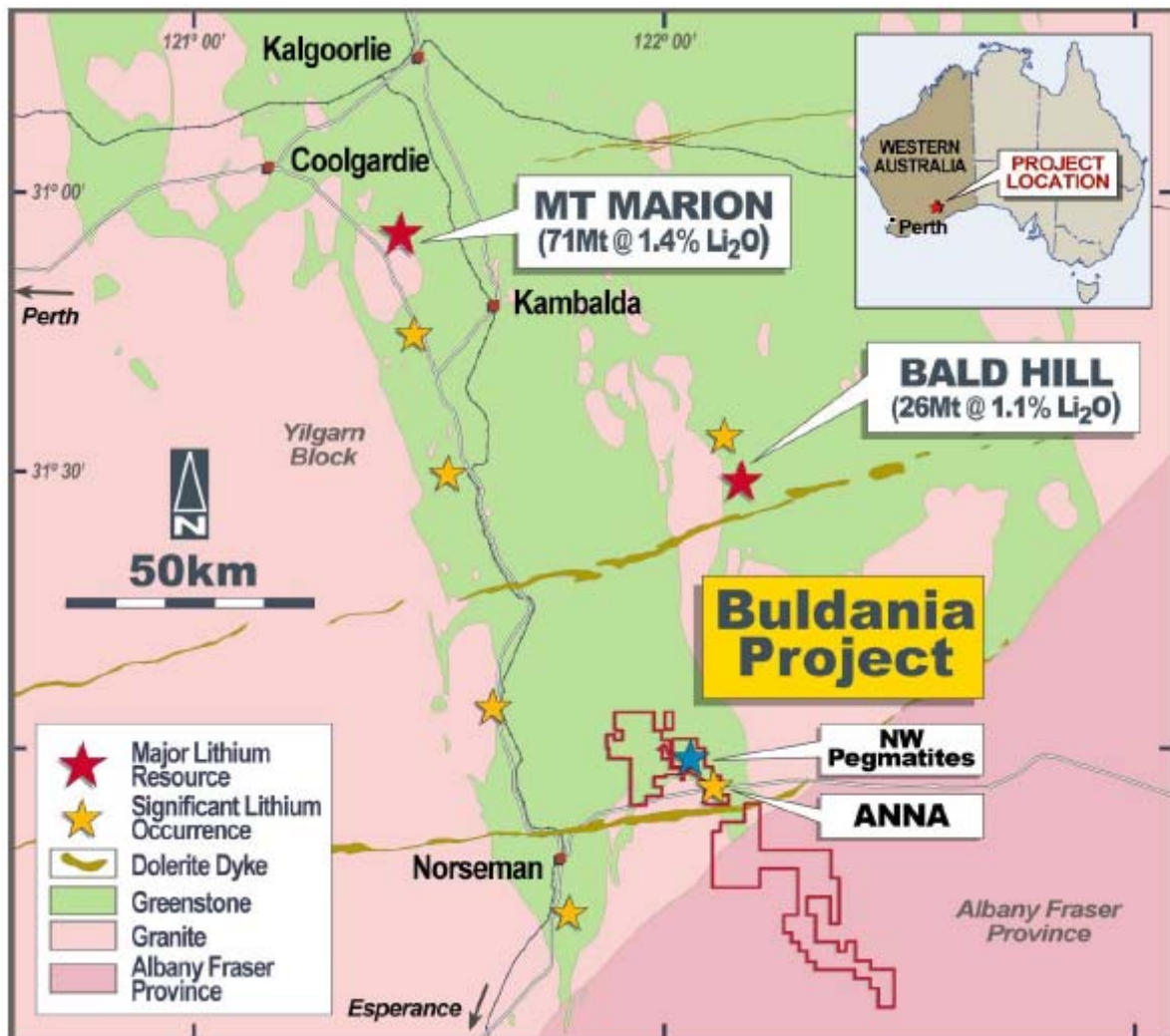
**Figure 3:** Anna Pegmatite – Long section looking northeast showing better lithium intersections.

## Technical Significance

This latest Buldania drilling has extended the previously defined mineralisation at the Anna prospect to the southeast and east for a continuous strike length of at least 1.4km, with the system remaining open. Geological modelling is well advanced and data from all holes completed at Anna will be used to prepare a maiden Mineral Resource Estimate (MRE), which is scheduled for completion in November 2019.

## Project Overview

Buldania is LTR's second WA lithium project, which is being advanced alongside its flagship Kathleen Valley Project. The Buldania Project is located 30km east of Norseman and forms part of a large 600 sq km strategic land position that's 100%-owned by LTR. The region is well-known for hosting large lithium deposits, including the Mt Marion and Bald Hill mines.



**Figure 3:** Buldania Project – Location plan, regional geology and lithium occurrences

LTR has also secured a formal sale agreement with Westgold Resources (ASX: WGX) with respect to the acquisition of the revenue and production royalties relating to lithium and related minerals at the Buldania Project. The royalties comprise a 1.5% gross revenue royalty and a production royalty of \$2 per tonne of ore mined and/or processed from three key tenements (E63/856, P63/1977 and M63/647). The royalties have been acquired for total consideration of \$2 million in cash.

## Summary

*The much-anticipated follow-up drilling program at Kathleen Valley is off to a strong start, with the results generated by the first three holes demonstrating the upside and growth potential of the deposit. The overall mineralised system has been confirmed to extend over at least 1.4km strike*

*length, with the high-grade zones intersected in the initial holes believed to represent the up-dip extension of the very thick feeder zone delineated in drilling earlier this year. This feeder zone will be further evaluated with ongoing drilling in the coming weeks. This phase of drilling is aimed at expanding the current Mineral Resource and providing a clearer picture of the strong emerging underground mining potential at Kathleen Valley.*

*We also look forward to the maiden MRE at Buldania, which is scheduled for completion in November 2019.*

*LTR has risen from \$0.025 at the date of our coverage initiation in February 2019 and remains firmly held within our coverage Portfolio.*

**Disclaimer:** Gavin Wendt, who is a director of Mine Life Pty Ltd ACN 140 028 799, compiled this document. It does not constitute investment advice. I wrote this article myself, it expresses my own opinions and I am not receiving compensation for it. In preparing this article, no account was taken of the investment objectives, financial situation and particular needs of any particular person. Investors need to consider, with or without the assistance of a securities adviser, whether the information is appropriate in light of the particular investment needs, objectives and financial circumstances of the investor. Although the information contained in this publication has been obtained from sources considered and believed to be both reliable and accurate, no responsibility is accepted for any opinion expressed or for any error or omission in that information. I have no positions in the stock mentioned and no plans to initiate any positions within the next 72 hours.