

\$18m capital raising to fast-track Australian lithium projects

Kathleen Valley Project fully funded through to completion of DFS

HIGHLIGHTS

- **\$18m placement at \$0.12 per share to institutional and professional investors;**
- **Includes \$1.43m placement, also at \$0.12 per share, to Directors, subject to shareholder approval;**
- **Proceeds will be used to accelerate activities at the 100% owned Kathleen Valley Lithium-Tantalum Project in WA, including:**
 - **Drilling along strike and at depth to further expand Australia's fifth largest lithium Mineral Resource of 74.9Mt @ 1.3% Li₂O and 140ppm Ta₂O₅;**
 - **A Pre-Feasibility Study (PFS) targeted for completion in Q4 CY2019 and a Definitive Feasibility Study (DFS) by Q3 CY2020; and**
 - **Completion of metallurgical test work to optimise the grade/recovery performance and produce a spodumene concentrate to a minimum 6% Li₂O.**
- **Proceeds will also be used to advance the Company's second 100% owned lithium project at Buldania, including:**
 - **Delivery of a maiden Mineral Resource Estimate for the Anna pegmatite in Q4 CY2019; and**
 - **Ongoing drilling targeting extensions to the Anna pegmatite as well as regional exploration to test outcropping spodumene-bearing pegmatites within the Company's broader project area.**

Liontown Resources Limited (**ASX: LTR** or the "**Company**") is pleased to announce that it has received firm commitments for an \$18 million capital raising ("**Capital Raising**") to underpin the continued exploration and development of its wholly-owned, high-quality Australian lithium projects.

Importantly, following completion of the Capital Raising the Company's flagship Kathleen Valley Lithium-Tantalum Project in Western Australia will be fully-funded through to completion of a DFS in 2020.

The Capital Raising, which was very well supported, was conducted at \$0.12 per share ("**New Share**") and comprises:

- a \$16.57 million placement via the issue of 138,083,333 New Shares to institutional and sophisticated investors within the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1; and
- a \$1.43 million placement via the issue of 11,916,667 New Shares to the Company's Directors (and their associates), subject to shareholder approval at a general meeting to be convened shortly.

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The issue price of \$0.12 per New Share represents a 14.3% discount to the last closing price of \$0.14 on Tuesday, 30 July 2019.

Liontown's Managing Director, David Richards said: *"This placement substantially de-risks Liontown's development pathway and puts us in a great position to systematically advance both of our high-quality Australia lithium assets towards development. The strong demand from investors to the placement is testament to the quality, grade, scale and location of the Kathleen Valley Project – which is now Australia's fifth largest spodumene lithium resource."*

"The majority of the funds raised will be allocated towards ongoing work at Kathleen Valley, including a new drilling program to expand the deposit and studies to deliver the Pre-Feasibility Study in Q4 this year. Importantly, this raising will allow us to move straight into a Definitive Feasibility Study, which we are targeting to complete by Q3 next year."

"Drilling is also continuing at our second 100% owned lithium project, Buldania, where we aiming to establish a maiden JORC Resource by Q4 this year."

"We are pleased to welcome a range of new institutional and sophisticated investors to our register. In addition, the placement enjoyed strong support from our existing shareholders for which we are grateful."

"Liontown Directors are also supporting this capital raising, and have collectively applied for \$1.43 million, subject to shareholder approval. This sends a strong signal to investors about our confidence in the quality of these assets."

Settlement of the New Shares (excluding Directors and their associates) is to occur on Thursday, 8 August 2019 with allotment to occur Friday, 9 August 2019. Settlement of Directors (and their associates) New Shares will occur following shareholder approval.

Upon completion of the Capital Raising, the 150,000,000 New Shares will represent approximately 8.9% of the enlarged share capital of the Company, which will have 1,689,385,201 ordinary shares on issue.

The Capital Raising has been joint lead managed by Bridge Street Capital Partners, Taylor Collison Securities and Bell Potter Securities Limited. Bridge Street Capital Partners was the sole bookrunner.

A handwritten signature in black ink, appearing to read "David Richards".

DAVID RICHARDS
Managing Director
2nd August 2019

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Mineral Resource Estimate

Table 1: Kathleen Valley Mineral Resource as at July 2019

Cut-off grade Li ₂ O %	Resource Category	Million tonnes	Li ₂ O %	Ta ₂ O ₅ ppm
0.5	Measured	17.6	1.3	160
	Indicated	42.2	1.3	140
	Inferred	10.1	1.1	150
	Sub-total	69.9	1.3	150
0.7	Indicated	2.5	1.4	120
	Inferred	2.5	1.3	110
	Sub-total	5.0	1.4	110
Total		74.9	1.3	140

- Notes:
- Reported above a Li₂O cut-off grade of 0.5% for open pit potential (above 200 mRL) or 0.7% for underground potential (below 200 mRL).
 - Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

The Information in this report that relates to the Mineral Resource estimate for the Kathleen Valley Project is extracted from the ASX announcement titled "Kathleen Valley Lithium Resource jumps 353% to 74.9Mt @ 1.3% Li₂O" released on 9 July 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimate in the previous announcement continue to apply and have not materially changed.

Forward-looking statements

This report contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by law or the ASX listing rules.