

# Quarterly Report

for the period ended 30 June 2007



- Infill drilling success at Liontown
- Consultants engaged to produce maiden Resource Estimate
- Step-out drilling encounters high grade gold-copper mineralisation including 2m @ 92.5g/t gold
- New technical leadership

## Infill Drilling

The Liontown infill drilling program continued to confirm the Company's objectives, including:

Hole #	From	Interval (m)	Zinc %	Lead %	Copper %	Silver g/t	Gold g/t
LTD0009	227	7	8.6	2.9	0.6	29.1	0.2
<i>Incl.</i>	230	4	11.5	3.0	0.7	34.9	0.2
LTD0018	128	4	5.7	1.0	0.3	6.4	0.1
LTD0018	181	7	9.7	3.0	0.4	12.0	0.4
LTD0019	219	11	5.0	0.3	0.2	4.2	0.1
LTD0021	378	2	10.0	2.0	0.5	18.0	0.1
LTD0023	162.5	6	8.8	2.3	0.3	77.5	1.2
<i>Incl.</i>	163	2.5	14.8	4.5	0.6	159.8	2.7

## Step-out Drilling

Step-out drilling has commenced on the along-strike and down-dip extensions of the Liontown Horizon and Carrington Lode encountering a new high grade gold-copper mineralisation. Initial results include:

Hole #	From	Interval (m)	Gold g/t	Copper %	Zinc %	Lead %	Silver g/t
LTD0022	308	2	2.0	5.3	3.1	0.3	15.6
LTD0022	344	2	92.5	0.1	0.0	0.1	9.8

## Resource Estimate

Resource consultants have been engaged to produce a resource estimate based on the recent infill drilling program at Liontown.

## Regional Exploration

A helicopter-borne VTEM survey has been completed, covering 60km of the 80km of strike of the key Mount Windsor Volcanics stratigraphic package.

This survey, complemented by historical surface geochemistry and drilling data has highlighted the potential of a highly prospective region within a 5km radius of Liontown.

Results will be analysed over the next quarter to assist the upcoming regional exploration program.

## Corporate

Dr Doug Jones has joined the Company as Exploration Director, commencing 1 September 2007.

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

Andrew Bantock  
Managing Director  
26 July 2007

## 1.0 MOUNT WINDSOR VOLCANICS PROJECT - LIONTOWN PROSPECT (100% LIONTOWN RESOURCES LIMITED)

### 1.1 Key Results

Further drilling results from Liontown. Significant intercepts for results received from 1 April 2007 are reported in table 1 below:

Hole #	Lode	From	To	Interval	Recovery %	Zinc %	Lead %	Copper %	Silver g/t	Gold g/t
LTD0009	Liontown	227	234	7	100	8.6	2.9	0.6	29.1	0.2
including	Liontown	230	234	4	100	11.5	3.0	0.7	34.9	0.2
	Liontown	236	238	2	100	7.8	2.0	0.5	16.5	0.1
LTD0010	No Significant Results									
LTD0011	Carrington	106	109	3	100	0.23	0.06	0.02	2.9	6.5
	Carrington	131	131	0.5	100	6.6	0.1	0.1	2.7	0.1
	Carrington	136	138	2.3	100	4.0	1.1	0.1	4.1	0.1
LTD0012	No Significant Results									
LTD0013	No Significant Results									
LTD0014	No Significant Results									
LTD0015	Liontown	397	398	1.5	100	3.8	1.2	0.2	8.2	0.2
LTD0016	No Significant Results									
LTD0017†	Liontown	326	328	2	100	9.5	1.3	1.1	18.7	0.1
LTD0018	Liontown	128	132	4	100	5.7	1.0	0.3	6.4	0.1
	Carrington	181	188	7	100	9.7	3.0	0.4	12.0	0.4
	Carrington	192	193	1	100	15.1	0.0	0.1	4.5	0.1
LTD0019	Liontown	159	164	5	100	3.7	0.5	0.1	5.3	0.1
	Carrington	219	230	11	100	5.0	0.3	0.2	4.2	0.1
	Carrington	231	235	4	100	2.4	0.0	0.2	1.5	0.0
LTD0020	Liontown	232	236.5	4.5	100	6.2	2.9	0.4	79.4	0.8
LTD0021	Liontown	378	380	2	100	10.0	2.0	0.5	18.0	0.1
LTD0022†	Carrington	306	308	2	100	3.1	0.3	5.3	15.6	2.0
including	Carrington	306.1	307.3	1.2	100	2.9	0.3	7.8	20	2.3
	Footwall	344	346	2	100	0.03	0.08	0.08	9.8	92.5
LTD0023†	Liontown	162.5	168.5	6	100	8.8	2.3	0.3	77.5	1.2
including	Liontown	163	165.5	2.5	100	14.8	4.5	0.6	159.8	2.7

All samples are of ½ NQ2 core.  
Base metal and silver assays were determined by AAS; gold assays by fire assay.  
Significant intercepts are reported using cut offs of 3.5% for zinc, 2.0g/t for gold and 0.5% for copper; intervals of up to 4m of internal waste included. No upper cuts have been applied.  
\* Assay results outstanding at the date of this report. † Part of drill hole assays yet to be received.

Table 1: Significant Intersections, holes LTD0009-23



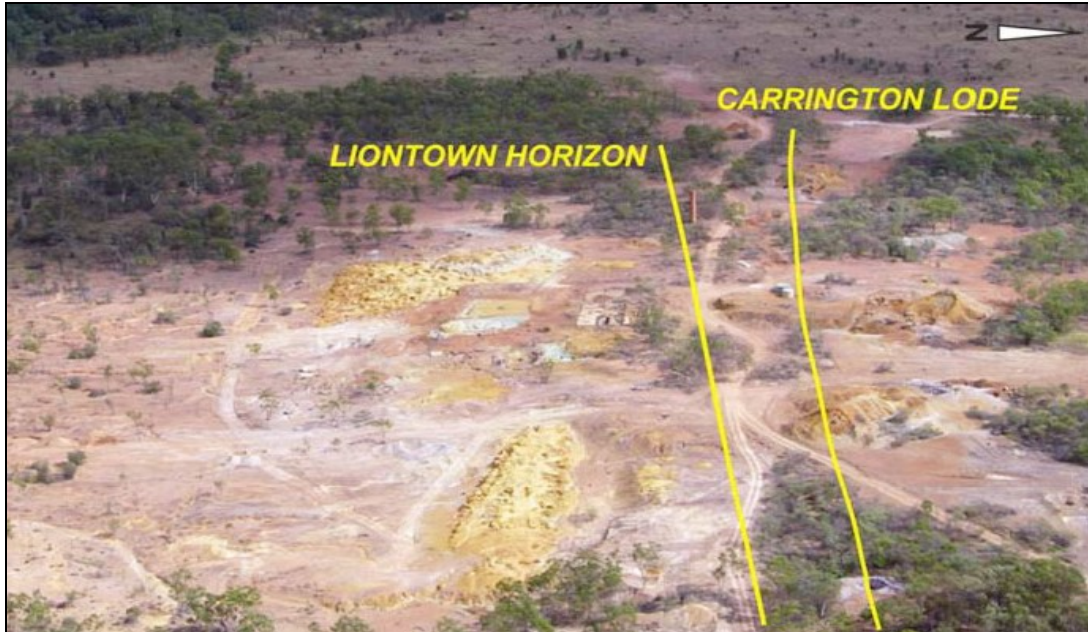
Hole LTD0009 from 230-234m, 4m @ 11.5% zinc, 3.0% lead, 0.7% copper, 34.9 g/t silver, 0.2 g/t gold



Hole LTD0023 from 162.5 to 168.5, 6 metres 8.8% zinc, 2.3% lead, 0.3% copper, 1.2 g/t gold

## 1.2 Detailed Discussion of Drilling Program

The Liontown Horizon and Carrington Lode at Liontown have been demonstrated to date to extend over 1.5km of strike.



Trace of the Liontown Horizon and Carrington Lode - each extending over approximately 1.5km, shown on aerial photograph featuring historical infrastructure and workings

Liontown Resources commenced drilling in January 2007, with the objective of validating historical drilling results and providing additional information from infill drilling to enable a resource to be estimated for the project. 24 drill holes have been completed to date, for a total of 6,881m.

Drill hole assay results have been received for 23 of these holes, 17 of which have previously been reported. Assay results for holes LTD0014, LTD0016-LTD0017 and LTD0021-LTD0023 are first reported herein.



Diamond drill rig operating at Liontown

### 1.3 Drill holes on line 10180mE (Figure 1)

Hole LTD0009 was designed as an infill hole on the Liontown Horizon.

The reported intercepts from LTD0009:

- 7m @ 8.6% zinc, 2.9% lead, 0.6% copper, 29.1g/t silver, 0.2g/t gold from 227m; and
- 2m @ 7.8% zinc, 2.0% lead, 0.5% copper, 16.5g/t silver, 0.1g/t gold from 236m

correlate well with a nearby intersection in historical hole LLD104:

- 2m @ 8.1% zinc, 3.2% lead, 0.5% copper, 116.5g/t silver, 0.3g/t gold from 213.3m; and
- 5m @ 7.6% zinc, 3.2% lead, 0.6% copper, 54.8g/t silver, 0.3g/t gold from 218.

LTD0023 was designed as an infill hole on the Liontown Horizon and reported intercepts of 6m @ 8.8% zinc, 2.3% lead, 0.3% copper and 1.2g/t gold from 162.5m.

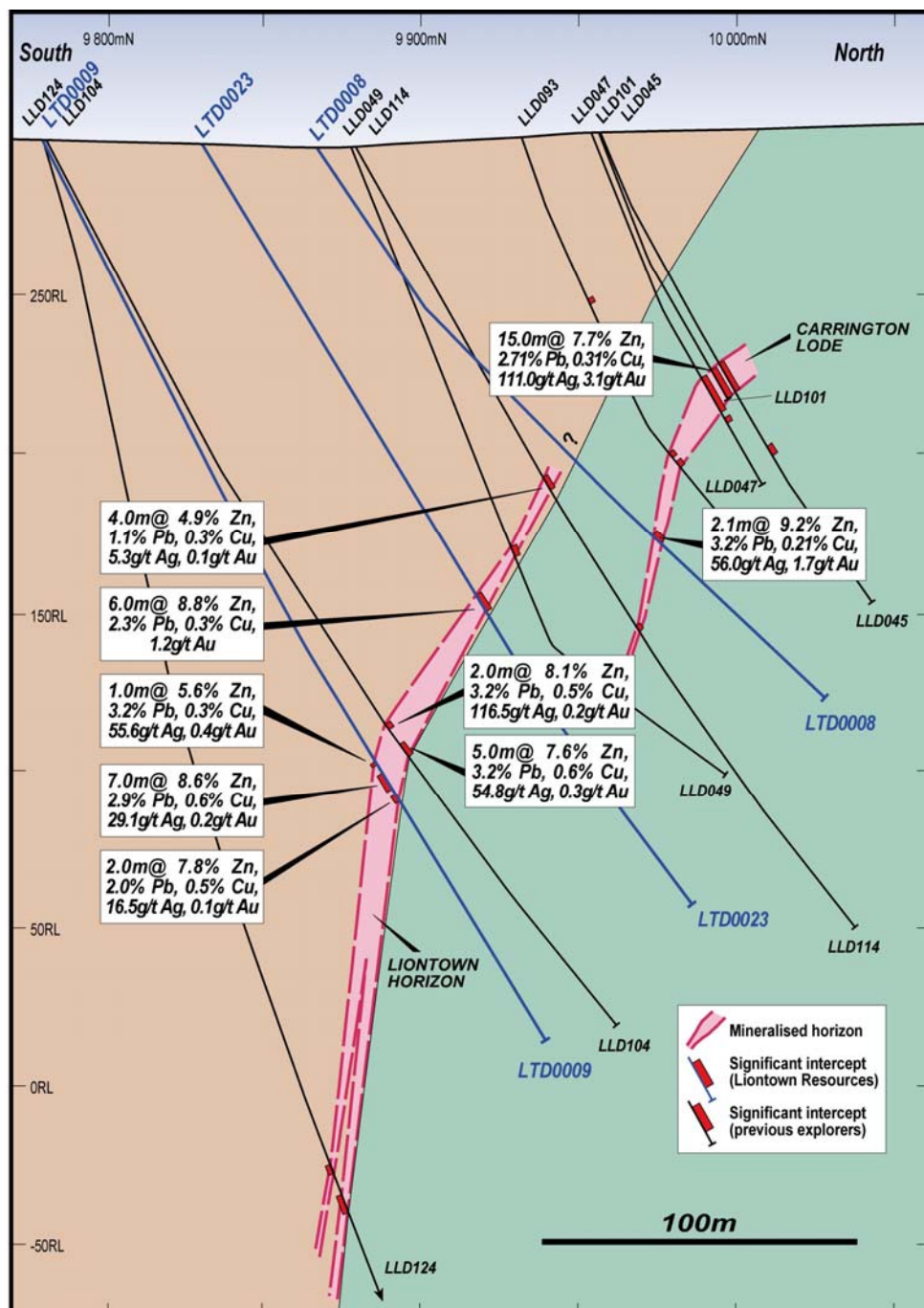


Figure 1: Cross section 10180m east

The quoted intercepts for LLD104 are located approximately 15m up dip of the mineralisation in LTD0009.

LTD0008 was drilled adjacent to LLD114 testing the Liontown Horizon. The hole lifted significantly and passed through the Carrington Lode approximately midway between LLD114 and LLRC093.

A zone of massive sulphide mineralisation in LTD0008 from 151.55m returned 2.1m @ 9.2% zinc, 3.2% lead, 0.2% copper, 56.6 g/t silver and 1.7 g/t gold, in the Carrington Lode position.

#### 1.4 Drill holes on line 10240mE (Figure 2)

The Liontown Horizon was well represented in all four holes drilled on 10240mE with LTD0020 intersecting 4.5m @ 6.2% zinc, 2.9% lead, 0.4% copper, 79.4g/t silver and 0.8g/t gold from 232m, consistent with an extension of the Liontown Horizon, 65m up dip of historical hole LLD128.

Assay results on the Carrington Lode were received from LTD0018 and LTD0019, including 7m @ 9.7% zinc, 3.0% lead, 0.4% copper, 12g/t silver and 0.4g/t gold (LTD0018 from 181m).

As previously reported, LTD0004 was drilled to test the Carrington Lode position adjacent to LLD135 on 10240mE. Previously reported LTD0004 intercepts include 11m @ 6.5% zinc, 3.6% lead, 0.2% copper, 25.6 g/t silver and 4.5 g/t gold from 120m.

LTD0021 was drilled to test the Liontown Horizon below the historic intercept of 6.4 m @ 5.9% zinc, 2.2% lead, 0.5% copper, 0.4 g/t gold and 6.0 g/t silver from 306.85m in LLD128. LTD0021 intersected 1.95m @ 10.0% zinc, 2.0% lead, 0.5% copper, 18g/t silver, 0.1g/t gold from 377.8m, extending mineralisation but at a lower tenor.

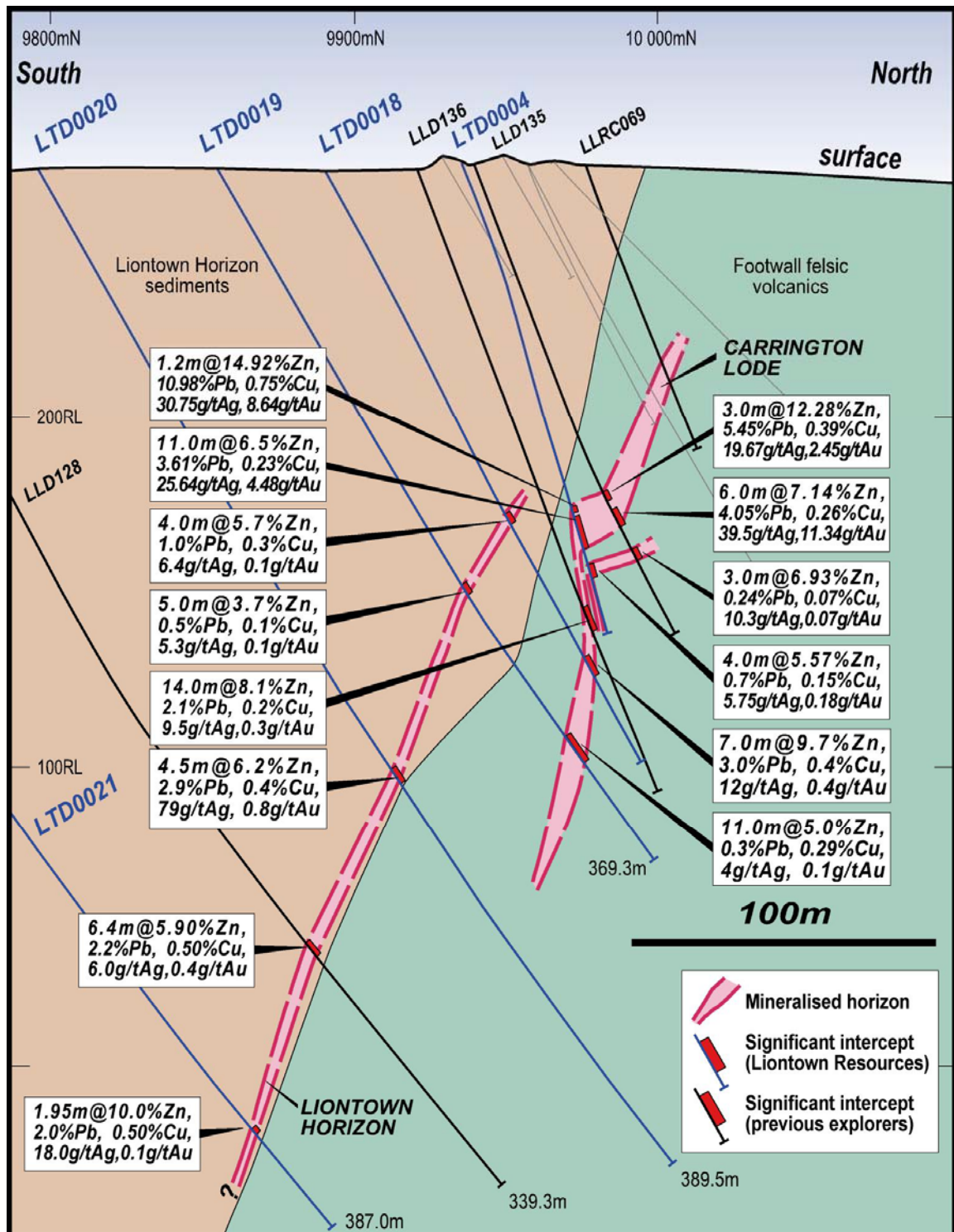


Figure 2 : Cross-section 10240mE

### 1.5 Drill holes on line 10320mE (Figure 3)

Holes LTD0010 to LTD0013 were designed to test the Carrington Lode on 10320mE. The best intercept was 2.35m @ 4.0% zinc in hole LTD0011, indicating that the high grade zone of the Carrington Lode may have plunged beneath these holes. An additional gold zone was intersected from 106m, yielding 3m @ 6.5g/t.

Holes LTD0014 to LTD0016, targeting the Liontown Horizon on the southern end of 10320mE, yielded a best intercept of 1.5m @ 3.8% zinc from 396.5m in hole LTD0015, approximately 26m down dip of an intercept of 4m 7.9% zinc, 3.8% lead, 0.4% copper, 169 g/t silver and 0.4 g/t gold, in LLD126.

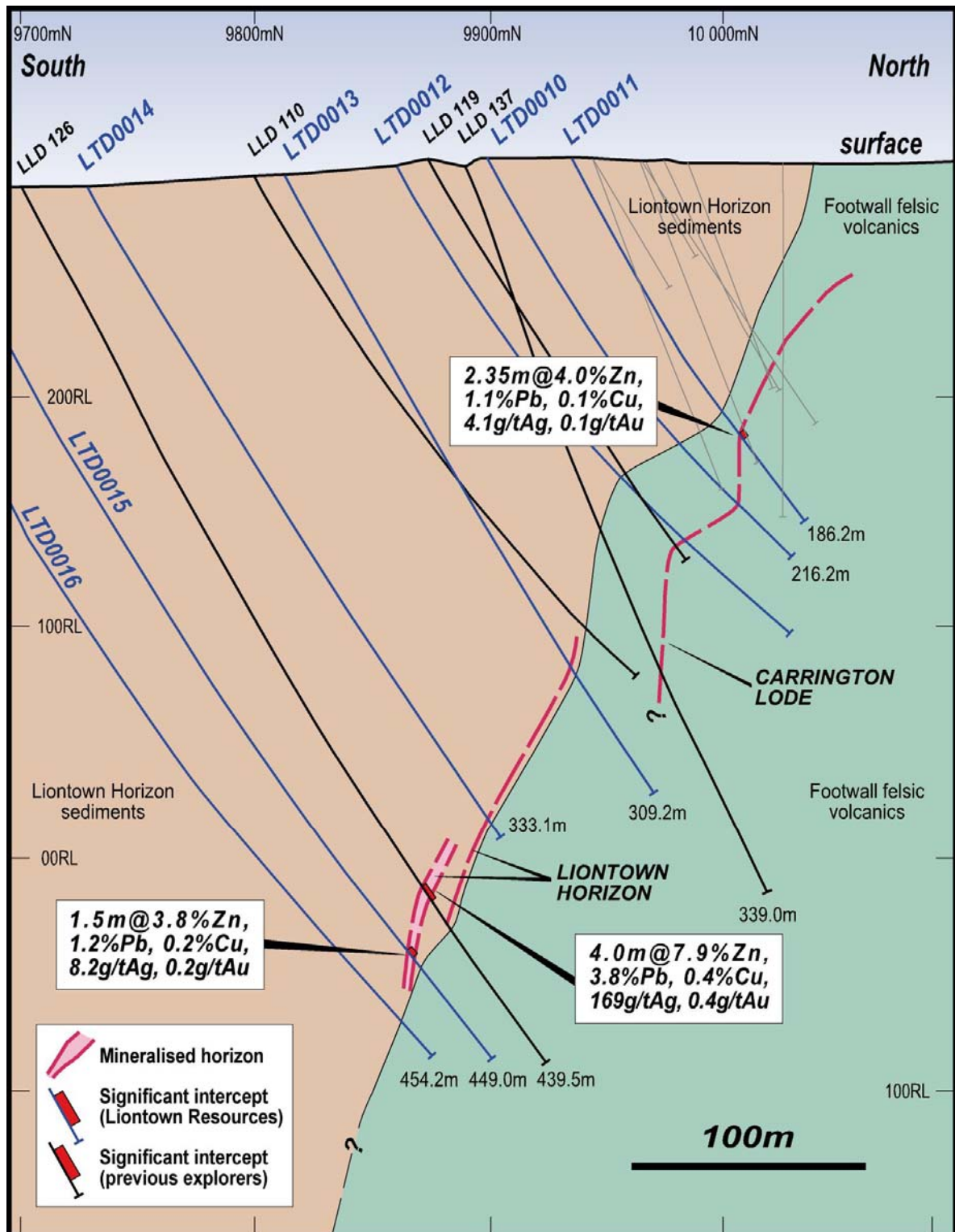


Figure 3: Cross-section 10320mE

## 1.6 Step-out Drilling

Step-out drilling has commenced on the along strike and down dip extensions of the Liontown Horizon and Carrington Lode, immediately to the east of 10320mE.

Two diamond rigs are currently undertaking this program.

Initial results from the 10440mE line have been encouraging, encountering high grade gold-copper mineralisation in the footwall of the Carrington Lode. Significant results:

- 2m @ 5.3% copper, 2.0 g/t gold, 15.6 g/t silver, 3.1% zinc, 0.3% lead (LTD0022, from 305.7m in the Carrington Lode position); and
- 2m @ 92.5g/t gold, 9.8 g/t silver, 0.08% copper, 0.08% lead, 0.03% zinc (LTD0022, from 344m).

These results highlight the excellent gold potential on the Liontown tenements, and indicate that the gold and copper content in the Carrington Lode and its footwall may increase to the east.

The step-out drilling currently underway will evaluate the copper and gold potential of the eastern section of the Carrington Lode, as well as the down plunge projections of the zinc rich component of both the Liontown Horizon and the Carrington Lode.

## 1.7 Resource Estimate

Resource consultants have been engaged to produce a resource estimate based on the recent infill drilling program at Liontown.

## 1.8 VTEM Survey

A helicopter-borne VTEM survey has been flown over approximately 60 km of the 80 km of strike held by Liontown Resources along the key Mount Windsor Volcanics stratigraphic sequence.

The survey is expected to provide valuable information in the identification of mineralised areas and further definition of exploration targets within the Mount Windsor Volcanics Project.

The results from the survey will be interpreted by the Company's geophysical consultants over the next quarter as a key input to a regional exploration program, including future RAB, RC and diamond drilling.



Helicopter-borne VTEM geophysical survey underway at Liontown

## 2.0 MT WINDSOR VOLCANICS PROJECT - REGIONAL EXPLORATION (100% LIONTOWN RESOURCES LIMITED)

Over thirty regional exploration targets have been identified on Liontown Resources' Mount Windsor Volcanics Project, with recent data compilation and interpretation defining a number of potential drill targets.

There is potential on Liontown Resources' tenements for breccia hosted gold (Mt. Leyshon style), epithermal gold (Pajingo style), zinc-copper-lead (Thalanga style) and copper-gold (Highway-Reward style) mineralisation.

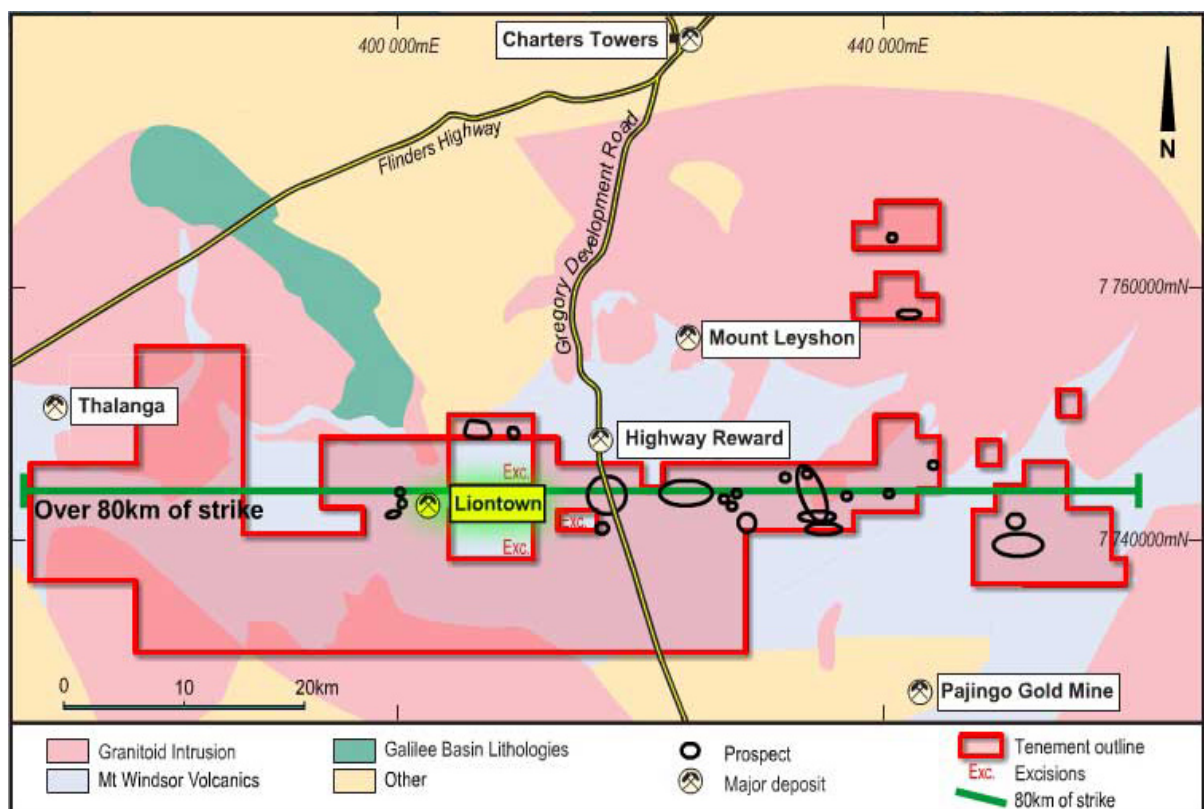


Figure 4: Tenement area and regional geology showing over 80 km of strike on the key Mount Windsor Volcanics stratigraphic sequence

An initial study of recently acquired high resolution airborne magnetics, radiometrics and electromagnetics (VTEM), along with historic surface geochemistry and drilling data, has identified a highly prospective region around the Lontown prospect (Figure 5).

The Lontown prospect is part of a broad system encompassing a number of prospects (Tigertown Au-Ag-Zn-Pb-Cu, Cougartown Zn-Pb-Cu, Oakvale Zn-Pb-Cu and Leopardtown Zn-Pb-Cu).

Future exploration will test the potential for additional mineralisation associated with these prospects, and assess the potential for a large interconnected system of base metal mineralisation under cover.

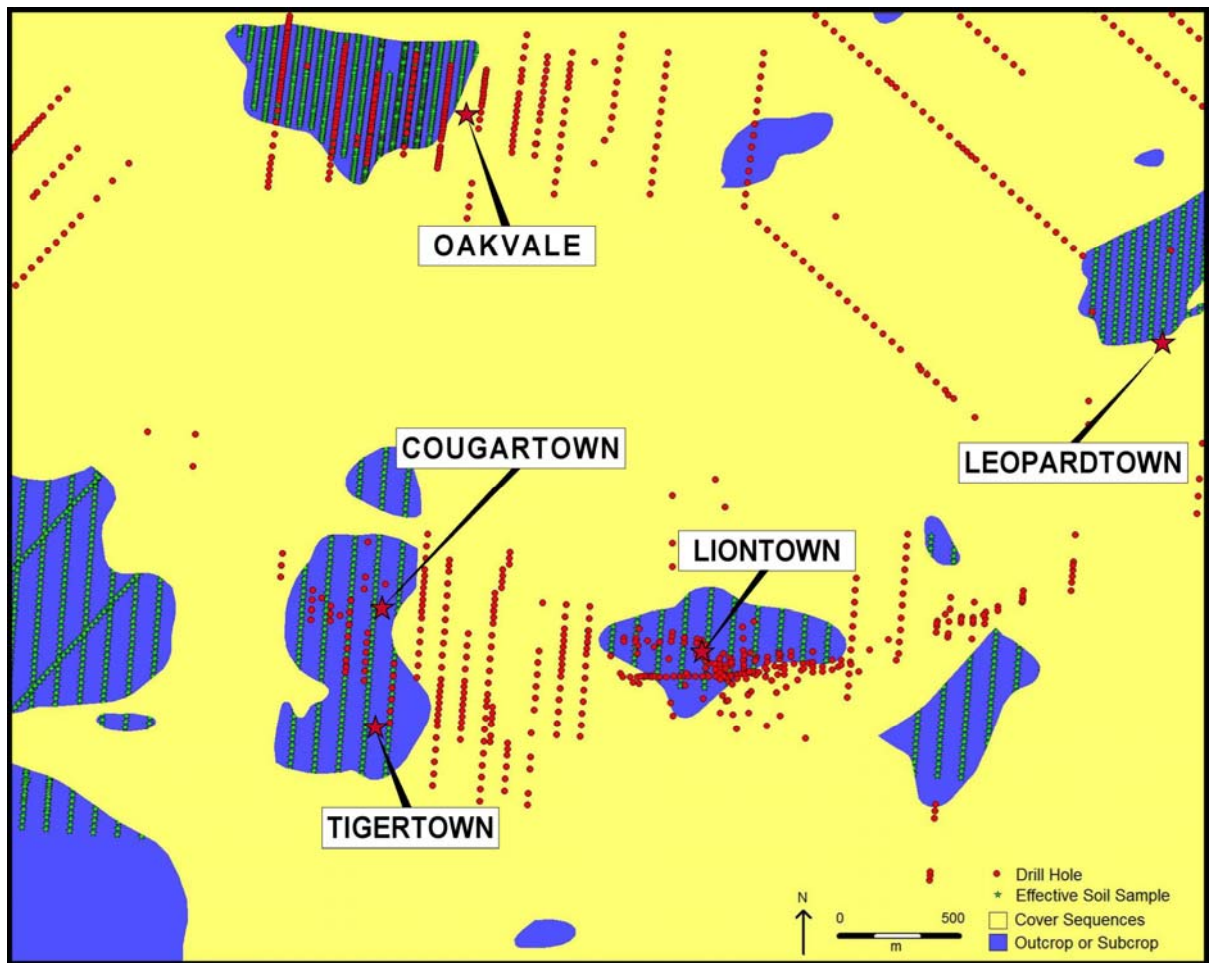


Figure 5: Exploration activity map showing extent of effective historic exploration and demonstrating large area of prospectivity with limited previous exploration coverage (most drilling shown is less than 100m vertical depth)

### 3.0 COWAN NICKEL PROJECT - NICKEL (100% LIONTOWN RESOURCES LIMITED)

The Cowan Nickel Project comprises over 490 km<sup>2</sup> of tenements south of the nickel mining town of Kambalda, which are interpreted to include 180 strike kilometres of komatiitic stratigraphy, host rocks for potential nickel sulphide mineralisation (Figure 6).

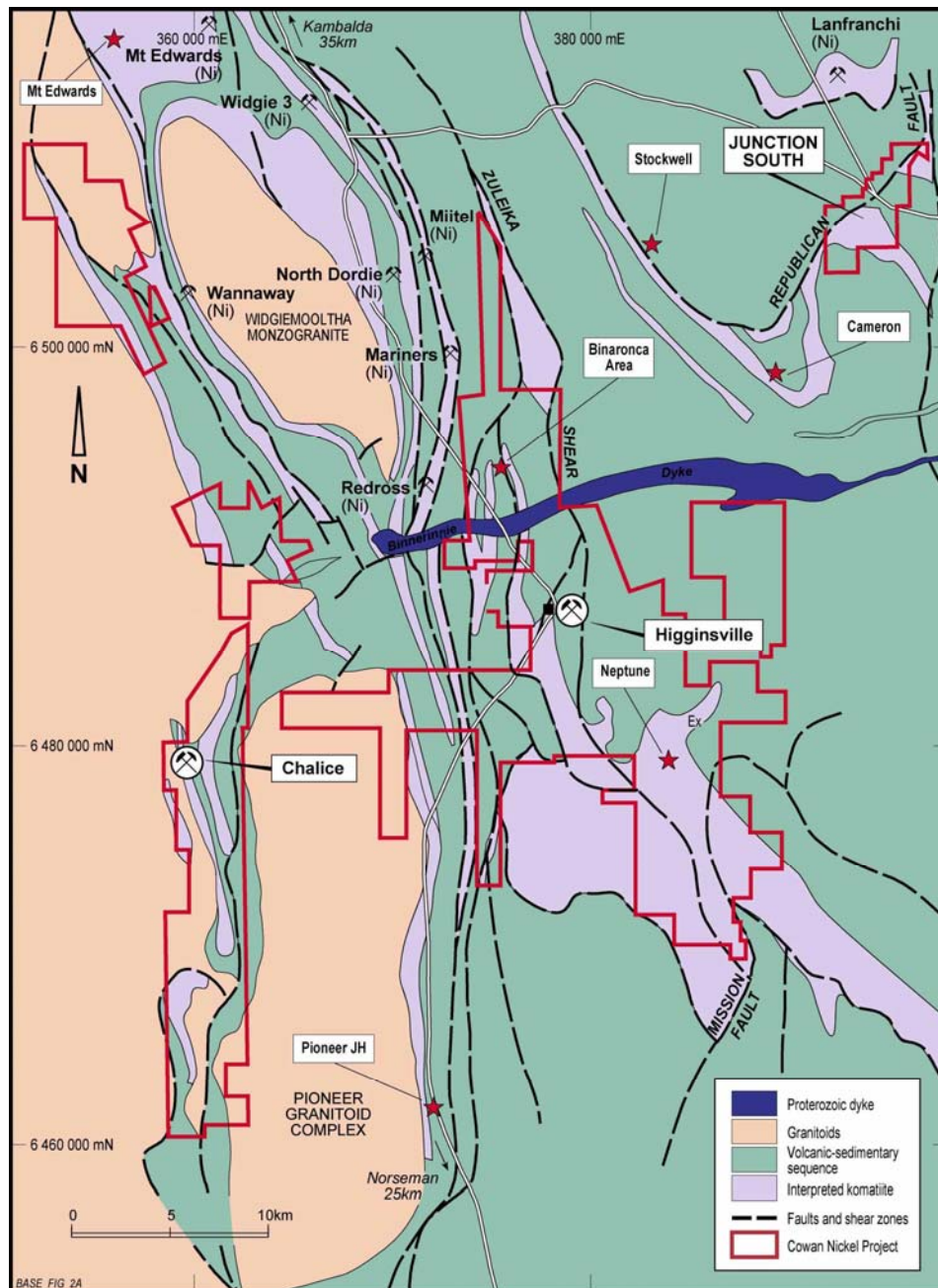


Figure 6 : Cowan Nickel Project - tenement outline and regional nickel mineral endowment

Over 100 kilometres of untested komatiitic stratigraphy are present within the project.

Newexco, consultants to the Company, who have extensive nickel exploration experience in the Kambalda region, have been appointed by Liontown Resources as a key advisor for exploration at the Cowan Nickel Project.

Following appraisal by Newexco, the Company will commence ground TEM surveying in early August, with the aim of delineating further drill targets, focusing on Chalice surrounds and South Binaronca.

#### 4.0 FORT CONSTANTINE SOUTH (100% LIONTOWN RESOURCES LIMITED)

The 100 km<sup>2</sup> Fort Constantine South Project comprises two tenements, the most prospective area of which is located within 5 kilometres of both Xstrata Plc's Ernest Henry copper-gold mine and Exco Resources NL's E1 copper-gold deposits.

The Project is located in the Eastern Succession of the Mt Isa Inlier, in north-west Queensland, approximately 25 kilometres north east of Cloncurry (Figure 7).

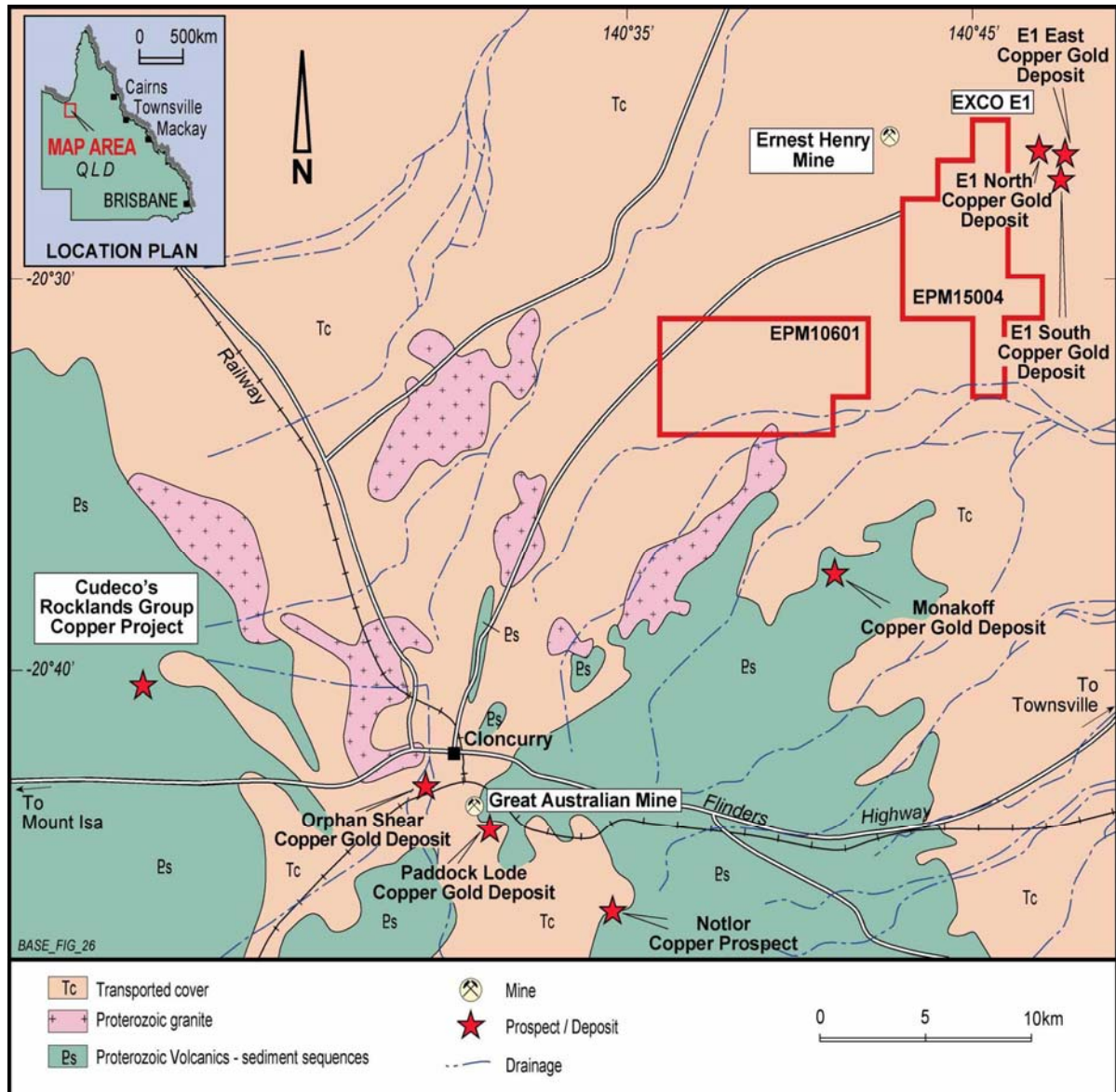


Figure 7: Fort Constantine South Project - regional location plan

Previous work focusing on magnetic anomalism developed in EPM10601 has intersected strong alteration and anomalous copper mineralisation in drilling at several prospects.

A series of targets have been defined, including areas of known copper anomalism requiring further work, untested magnetic anomalies (including the high priority BT8 target shown in Figure 8), structural targets associated with jogs in meridional structures similar to the control on Ernest Henry, and gravity targets identifying possible hematite related alteration systems.

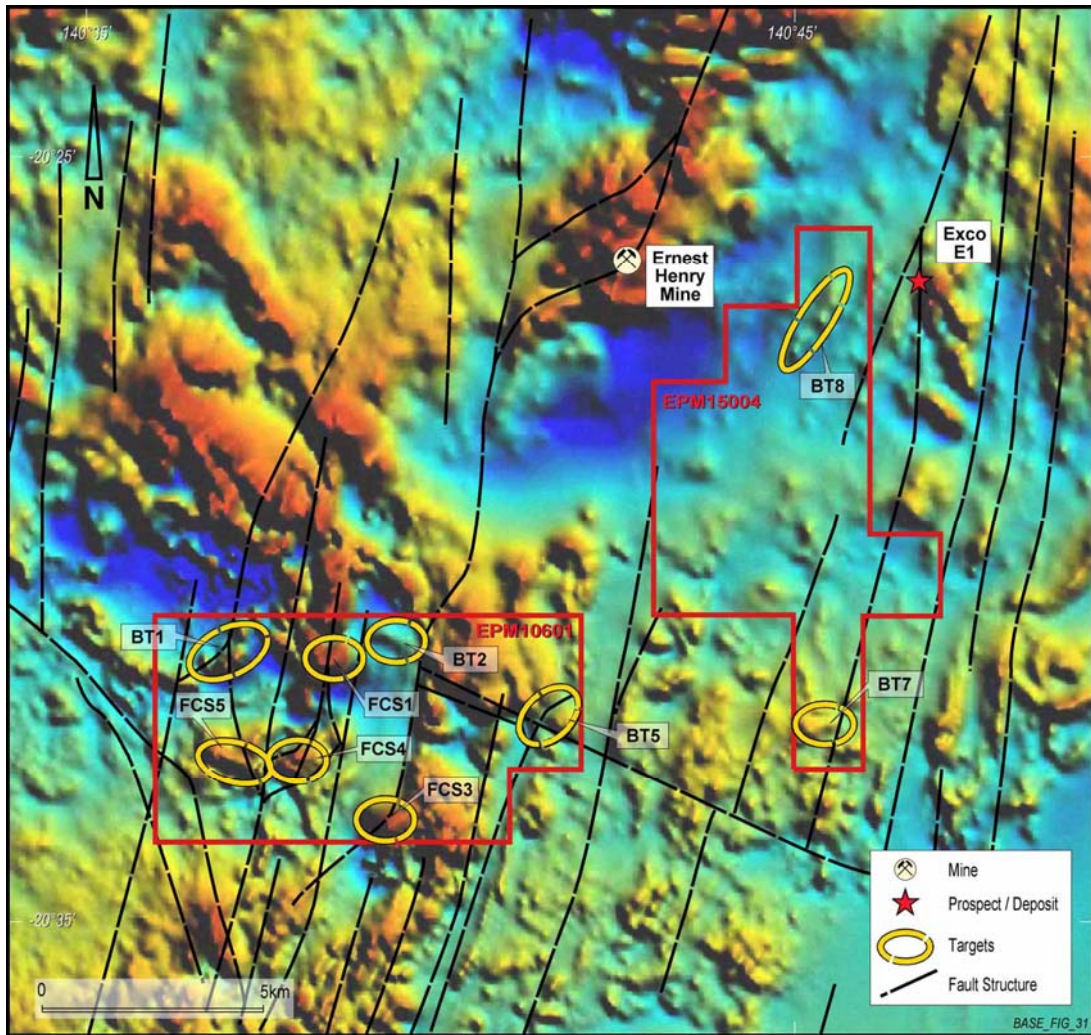


Figure 8: Fort Constantine South Project - exploration targets over total magnetic intensity

Exploration activity in 2007/2008 at the Fort Constantine South Project will seek to test these targets, including further geophysical work and drilling programs.

## 5.0 CORPORATE

Dr Doug Jones will join the Company as Exploration Director, commencing 1 September 2007.

Doug has 30 years experience in international mineral exploration, having worked extensively in Australia, Africa, South America and Europe. His career has covered exploration for gold in a wide range of geological settings, volcanic and sediment-hosted zinc-copper-lead and IOCG style copper-gold. This included a period with Pancontinental Mining, spent working on the Mt Windsor Volcanics, host to the Liontown deposit.

Doug is currently Vice President, Exploration of TSX listed Golden Star Resources, a director of AIM-listed Minera IRL Ltd and was previously a director of Moto Goldmines Ltd.

Doug was instrumental in the discovery and initial exploration of the multi-million oz Siguiri gold deposit in Guinea, West Africa, and during his recent tenure at Golden Star Resources the company added over 2 million oz of gold to its mining reserves.

Doug graduated from the University of New England (UNE) in 1977 with First Class Honours in Geology, returning to UNE after a stint in industry to complete a PhD which was awarded in 1987. Since then he has filled senior technical and management roles with various junior to intermediate mining and exploration companies, including Pancontinental Mining, Golden Shamrock, Delta Gold and its successor Aurion Gold, prior to the past 5 years with Golden Star Resources.

Doug is a member of the Australian Institute of Geoscientists and the Society of Economic Geologists, and is a Chartered Professional (Geology) with the AusIMM.

Liontown Resources' previous Exploration Director, John McIntyre, has moved to a consulting role with the Company. The board has thanked John for his significant efforts and achievements from the Company's inception, through to ASX listing and recent drilling success.

The information in this report that relates to Exploration Results is based on information compiled by Mr Paul Cranney, a consultant to Liontown Resources Limited and a member of the Australasian Institute of Mining and Metallurgy. Mr Cranney has sufficient experience in the field of activity being reported to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, and consents to the release of information in the form and context in which it appears here.

### Historical exploration results - presentation parameters

Drill hole intersections presented in Figures 1 to 3 are calculated on a 3.5% zinc lower cut, up to 4m of internal dilution with no upper cuts applied.

Hole prefixes in Figures 1 to 3 indicate the following drill method, operating company and era:

LLD001 to LLD060	Diamond Drill Holes	Nickel Mines	1970-1971
LLD101 to LLD127	Diamond Drill Holes	Esso	1982-1984
LLRC001 to LLRC050	Reverse Circulation Holes	Great Mines	1987
LLD128 to LLD137	Diamond Drill Holes	Pancontinental	1994-1995