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## Maiden Resource Estimate at Liontown

- An initial Mineral Resource estimate has been received for the Liontown zinc-lead-copper-silver-gold deposit of:

1.8 million tonnes @ 7.6% zinc, 2.4% lead, 0.6% copper, 29 g/t silver and 0.6 g/t gold.

## Step-out Drilling

- Further high grade drilling results have been received to the west of the Liontown Deposit Resource area including:
  - 6 metres at 14.2% zinc, 1.64% lead, 0.2% copper, 40.2 g/t silver, 0.09 g/t gold; from 104 metres in hole LTD040 (part of 29 metres at 4.36% zinc, 0.68% lead, 0.4% copper, 27.4 g/t silver, 0.09 g/t gold, from 101 metres);
  - 18 metres at 3.21% zinc, 0.95% lead, 0.2% copper, 33.1 g/t silver, 0.2 g/t gold; from 160 metres in hole LTD036; and
  - 5 metres at 3.81% copper; from 204 metres in hole LTD040.
- The above suggests a broadening of the mineralised Liontown Horizon to the west of the Liontown Resource area, including the emergence of a number of parallel lens structures.
- High grade copper-gold quartz stringer mineralisation also continues to be evident in the footwall position below the Liontown and Carrington Lodes.
- Results are awaited from a further five step-out holes completed during the quarter.

## Mount Windsor Regional Exploration

- A regional review is underway as the basis for the 2008 Mount Windsor regional exploration plan, to test multiple base metal and gold exploration targets across the Company's extensive 3,200 km<sup>2</sup> tenement package.

## Cowan Nickel

- Drilling commenced in mid-January at the Cowan Nickel Project to test 9 geophysical/geochemical anomalies which may reflect Kambalda-style sulphide nickel occurrences. Twenty RC holes are planned for a total of 3,500-4,000 metres of drilling.



Andrew Bantock  
Managing Director

31 January 2008

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

### 1.1 Liontown Resource Estimate

Liontown Resources commenced drilling the Liontown Deposit in January 2007.

Validation and infill drilling was completed by August 2007 and has confirmed the results of historical drilling in terms of grades and thicknesses within the known Liontown and Carrington Lodes and has provided improved quality assurance/quality control data for a JORC compliant resource estimate.

Independent consultants McDonald Speijers have provided an initial estimate of Mineral Resources for the Liontown zinc-lead-copper-silver-gold deposit of:

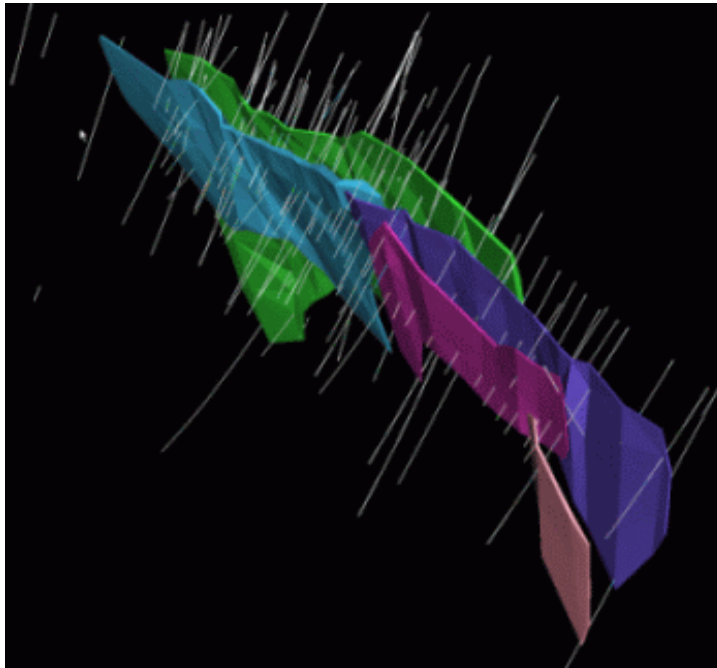
**1.8 million tonnes @ 7.6% zinc, 2.4% lead, 0.6% copper, 29 g/t silver and 0.6 g/t gold.**

This equates to 136,800 tonnes of contained zinc metal, or 190,800 tonnes of total contained zinc-lead-copper metal.

The estimate applied a 4% zinc equivalent cut-off and minimum horizontal width of 1.5 metres and lies wholly within the Inferred Resource category. McDonald Speijers quote the absence of some historical drilling information as influencing this categorisation. Liontown Resources has provided additional historical information to the consultants to assist in the potential upgrade the classification of the Resource, and is reviewing the drill coverage to see where additional drilling density might achieve the same result.

Approximately 11% of the Resource tonnage lies within an interpreted oxide zone above the main lodes. This is considered unlikely to be recoverable in a mining scenario.

Zinc equivalence has been applied within the Resource Estimate based on a formula adopted by McDonald Speijers:  $eZn\% = Zn\% + Pb\% + (Cu\% \times 3)$ .



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Figure 1: 3D image showing modelled mineralisation, Liontown Deposit, from the northwest. Liontown Lode shown in green, Carrington Lode in blue, with other colours representing footwall copper-gold stringer lodes

McDonald Speijers provided estimates of the Liontown Deposit mineralisation at various grade cut-offs and horizontal widths as shown in the tables below:

eZn Cutoff	Tonnes	Zn(%)	Cu(%)	Pb(%)
0.0	4,065,432	4.19	0.32	1.28
1.0	3,562,966	4.74	0.36	1.45
2.0	2,921,459	5.57	0.41	1.72
3.0	2,246,770	6.67	0.49	2.12
4.0	1,842,120	7.57	0.57	2.42
5.0	1,564,208	8.25	0.61	2.69
6.0	1,290,999	9.31	0.71	3.05

Table 1 – Estimates of Liontown Mineralisation at Various Cutoffs

Width	Tonnes	Zn (%)	Cu (%)	Pb (%)
1.0	1,877,922	7.53	0.57	2.40
1.5	1,842,120	7.57	0.57	2.42
2.0	1,773,594	7.65	0.58	2.45
2.5	1,686,869	7.81	0.57	2.49
3.0	1,625,197	7.91	0.56	2.51

Table 2 – Estimates of Liontown Mineralisation at Various Widths

The Liontown base metal deposit is of the type characterised as volcanogenic massive sulphide. It is dominantly a zinc sulphide deposit with subsidiary lead and copper. It consists of two principal south-dipping (about 70°) lodes and some copper-gold stringer vein mineralisation. The Liontown Lode lies within the Liontown Horizon which separates a footwall pyroclastic (dacite) unit from greywacke-type sediments in the hangingwall. The Carrington Lode (or Footwall Dacite Mineralisation) lies within the footwall sediments about 30m from the Liontown Lode. The latter has an uncertain relationship with some minor stringer mineralisation (Footwall Stringer Mineralisation) along strike to the west (Figure 1).

The Liontown and Carrington Lodes are dominantly sphalerite mineralisation with minor galena whereas the Stringer Mineralisation consists of chalcopyrite-rich copper-gold mineralisation. Historical workings on the Liontown Lode are negligible but there has been some shallow underground extraction from the Carrington and Stringer mineralisation.

The following table shows the estimate of mineralisation at the Liontown Deposit, by domain:

Domain	Weathering	Tonnes	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)	As (ppm)
Liontown	Fresh	1,189,610	7.74	0.57	2.29	0.38	32.91	89
Liontown	Oxide	118,405	9.49	1.44	3.37	0.69	44.38	13
Carrington	Fresh	448,387	7.19	0.32	2.46	1.08	16.27	37
Carrington	Oxide	85,598	4.63	0.66	2.71	1.30	13.53	1
Stringer	Oxide	120	1.60	2.46	0.60	3.90	10.12	

Table 3 – Resource Estimates of Liontown Mineralisation by Domain

## 1.2 Liontown Step-out Drilling

Step-out drilling to investigate the strike and plunge extensions of the Liontown mineralization was completed at the end of November. This included testing of a VTEM anomaly off the western end of the Liontown Deposit.

Results from drilling to the west of the Liontown Deposit Resource area show continuing mineralisation and a broadening of the key Liontown Horizon structure, including several parallel mineralised lenses interbedded with sediments.

Best intercepts include:

- 6 metres at 14.2% zinc, 1.64% lead, 0.2% copper, 40.2 g/t silver, 0.09 g/t gold; from 104 metres in hole LTD040 (part of 29 metres at 4.36% zinc, 0.68% lead, 0.4% copper, 27.4 g/t silver, 0.09 g/t gold, from 101 metres);
- 18 metres at 3.21% zinc, 0.95% lead, 0.2% copper, 33.1 g/t silver, 0.2 g/t gold; from 160 metres in hole LTD036; and
- 5 metres at 3.81% copper; from 204 metres in hole LTD040.

The elevated copper grade seen from 204 metres in hole LTD040 continues the trend of significant copper-gold-silver stringer mineralisation in the footwall of the Liontown and Carrington lodes that will be a focus for future exploration.

The image below shows an interval of strongly mineralised copper-gold quartz stringer lode in the footwall position to the west of the main Liontown and Carrington Lodes (hole LTD040 from 205 metres).



Chalcopyrite from hole LTD040: 205m

Results from the step-out holes received to date to the east of the Liontown Deposit Resource area suggest that the known sulphide lenses pinch out along strike and down plunge. However, the lode positions are still strongly anomalous in base metals and there remains potential for further lenses of massive sulfides to develop at depth and along strike.

This potential will be investigated by down-hole electro-magnetic geophysical surveys during the next quarter.

Significant intercepts from the step-out drilling at Liontown received to date are reported below:

Hole #	Lode	From	To	Interval	Recovery	Zinc	Lead	Copper	Silver	Gold
		(m)	(m)	(m)	%	%	%	%	g/t	g/t
LTD027	Carrington	138.2	143	4.8	100	2.23	0.77	0.04	1.66	0.2
	Footwall	177	179	2	100	2.42	1.86	1.72	23.9	4.79
	Footwall	205	206	1	100	3.85	2.04	0.59	10	0.05
	Footwall	299.5	300.4	0.9	100	0.05	0.05	2.33	0	0.06
	Footwall	321.5	322	0.5	100	0.02	0	5.2	0	0.06
	Footwall	323.6	324.2	0.6	100	0.05	0.02	3.6	0	0.06
	Footwall	485	486	1	100	0.01	0	1.1	0	0
LTD028	Liontown	271	271.4	0.4	100	15.1	2.55	0	12	0.04
LTD030	Liontown	492.08	494	1.92	100	10.1	2.4	1.8	27	0.08
	Carrington	522	529	7	100	3.1	0.1	0.4	7	0
	Footwall	586.5	587.5	1	100	4.54	3.5	0.2	6	8.63
LTD031	Au-zone	209.7	221.9	12.2	100	0.08	0	0.0	38.3	1.44
	Au-zone	229	237	8	100	0.12	0	0.0	71	0.93
LTD032	Liontown	79	82	3	100	1.07	0.12	1.1	5	0.23
LTD033	Carrington	319	321	2	100	1.72	0.49	3.8	26	2.29
LTD036	Liontown Upper	160	178	18	100	3.21	0.95	0.2	33.1	0.2
LTD037	Liontown Upper	197.17	203	5.83	100	2.28	0.93	0.1	20.1	0.1
	Carrington	323.7	324.2	0.5	100	0.01	0	1.4	5	0.08
LTD040	Liontown	101	130	29	100	4.36	0.68	0.4	27.4	0.09
including	Liontown	104	110	6	100	14.2	1.64	0.2	40.2	0.09
LTD040	New Load Upper	204	209	5	100	0.04	0.02	3.8	7.2	0.16

Table 4 - Significant Intersections, holes LTD027-33, 36, 37 and 40

The location of all drillholes completed at Liontown to date are shown on Figure 2 and long sections for each system are plotted in Figure 3 (for the Liontown Lode) and Figure 4 (for the Carrington Lode).

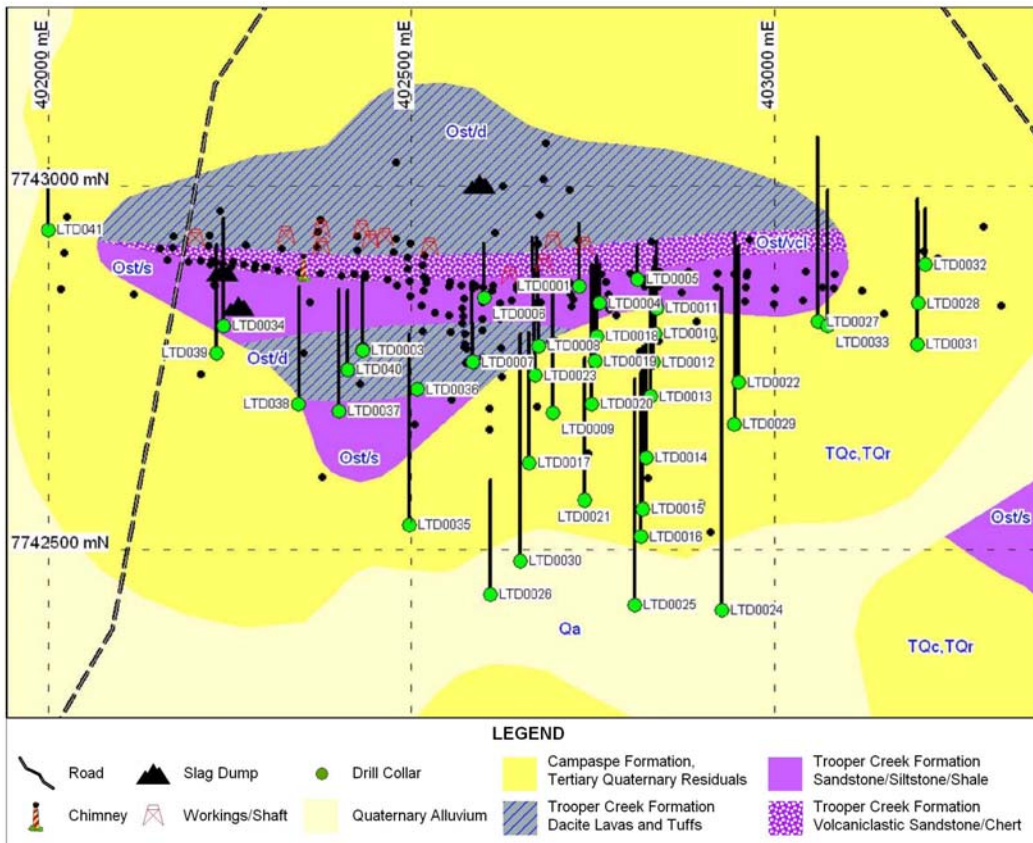


Figure 2: Liontown Deposit, location of drilling.  
Collars for holes drilled by Liontown Resources shown in green, historical drilling in black.

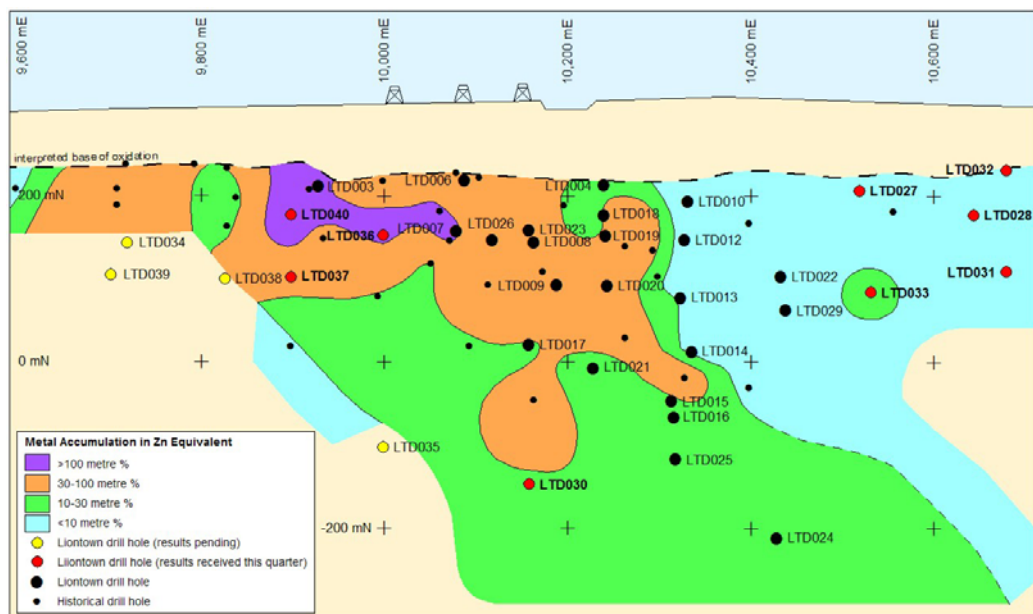
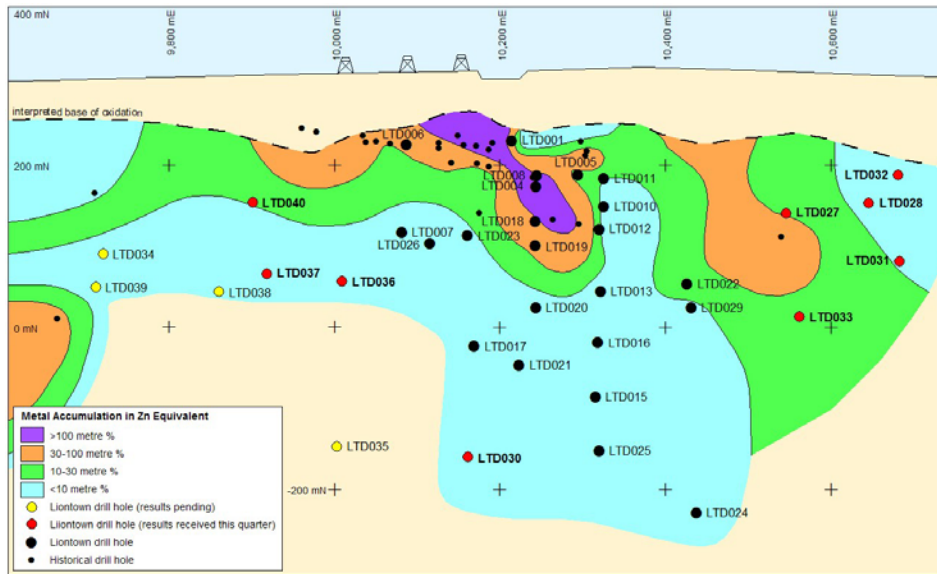


Figure 3: Liontown Lode Long Section. Yellow pierce points denote results still pending.

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Comment [d3]: Contours to be updated

Figure 4: Carrington Lode Long Section. Yellow pierce points denote results still pending.

### 1.3 Liontown Area - Commencing the Regional Program

During the quarter the Company continued a major review of the extensive regional geological database for its recently expanded tenement position. The objective is to identify and rank targets for exploration during 2008, including both base metal and gold targets.

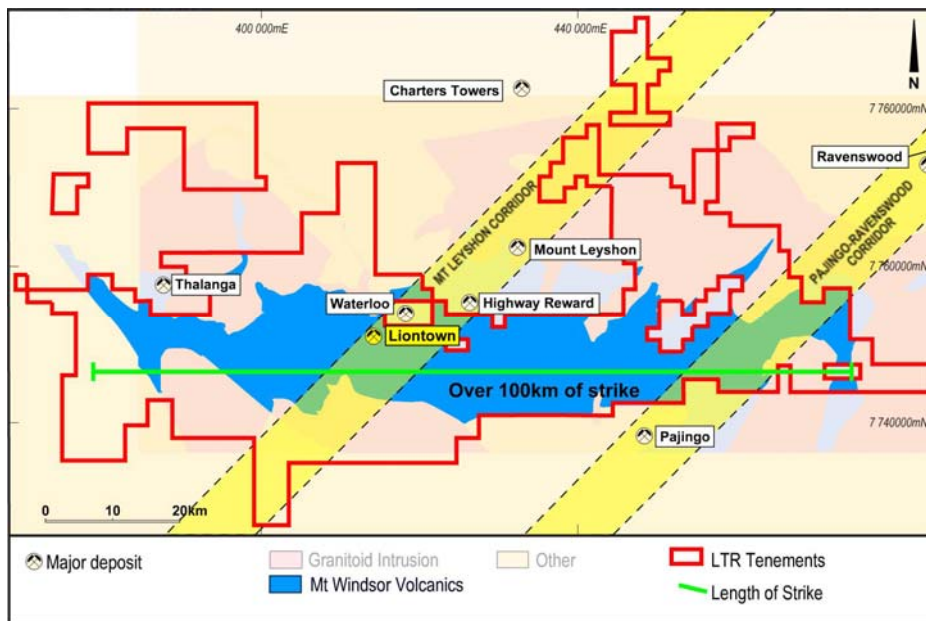


Figure 5 : Mount Windsor Volcanics Project - regional location plan

As announced previously, an initial review of historical exploration data sets and modern geophysics has identified the 5 x 5 km block surrounding the Liontown Deposit for priority attention

during the next field season. This has been planned to include up to 25,000 metres of RAB/aircore drilling.

Whilst several of the prospects within this block were identified by previous explorers (including Cougartown, Tigertown, Leopardtown and Oakvale), most have been only superficially explored with limited drilling deeper than 150 metres outside of the main Liontown prospect (Figure 6). Despite some encouraging zinc and gold intersections in several of these deeper drill holes, little to no follow-up was conducted.

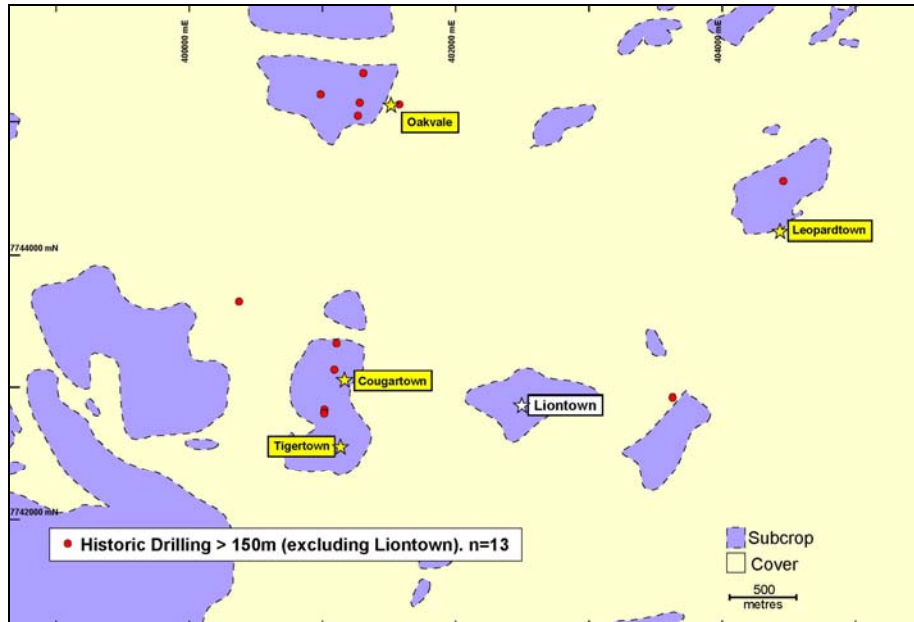


Figure 6: Historical drilling below 150m vertical depth, 5 x 5 km block including Liontown

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



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

Drilling at the Cowan Nickel Project commenced in mid-January following completion of a significant work program undertaken for Liontown Resources by geological consultants Newexco Services Pty Ltd ('Newexco'), to identify the prospective basal contacts of the ultramafic stratigraphy.

The location of the individual target areas is shown in context of the overall Cowan Nickel Project area and regional ultramafic sequences in Figure 7 below.

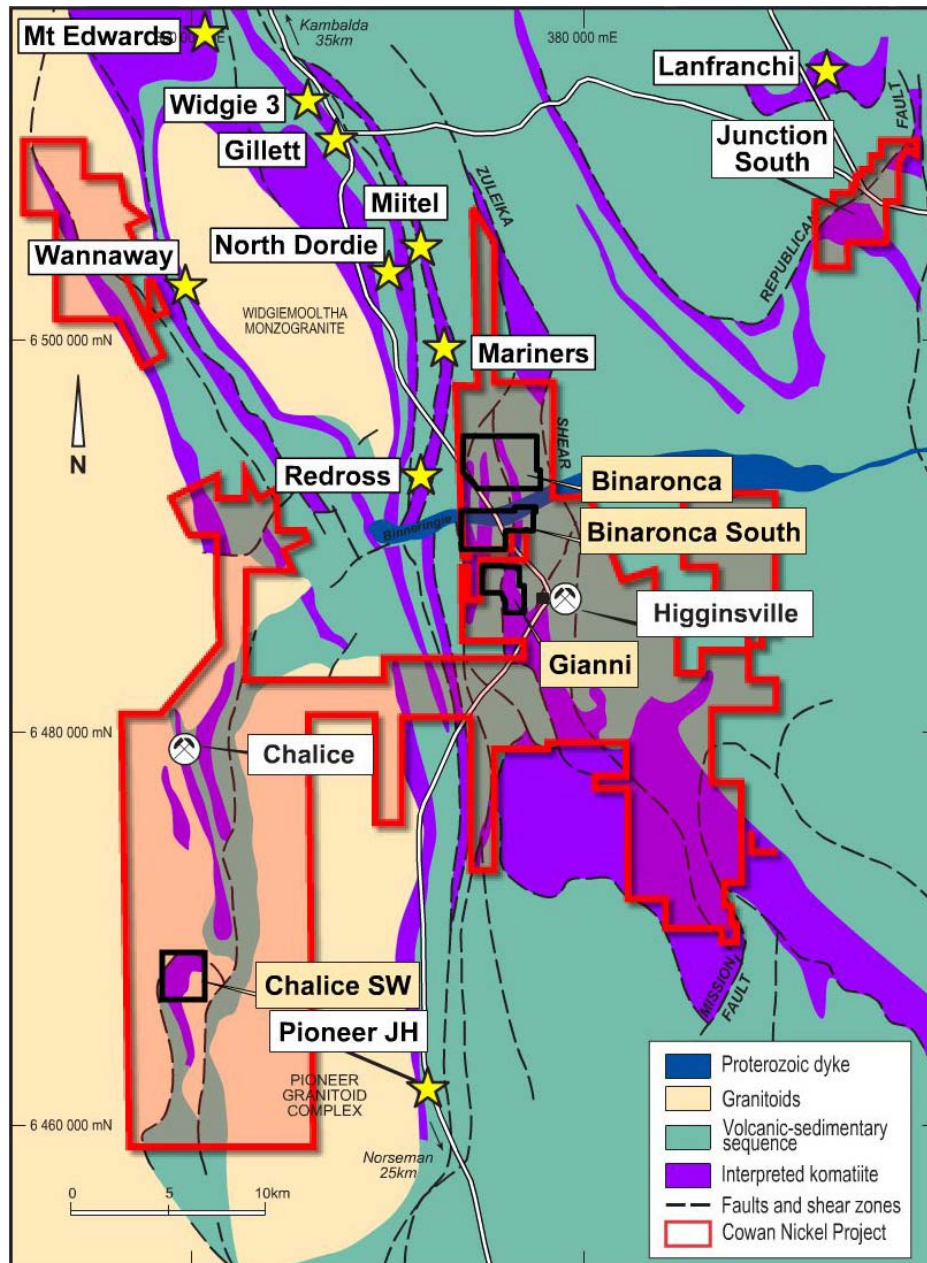


Figure 7 : Cowan Nickel Project - regional setting, interpreted komatiitic stratigraphy and target areas

Approximately 20 RC holes are planned in an initial 3,500-4,000 metre drilling program, expected to be completed in February.



RC Drilling underway at Cowan Nickel Project

## CORPORATE

### 3.1 Capital Raising

During October 2007, the Company completed a placement of 11,850,000 shares at \$0.27 to raise \$3.2M. Southern Cross Equities arranged the placement to a number of sophisticated and professional investors.

Note: Zinc equivalence formula used in long section calculations is as follows:  $ZnE\% = Zn\% + 0.43 Pb\% + 1.76 Cu\% + 0.01 Ag\text{ ppm} + 0.76 Au\text{ ppm}$ . Metal prices assumed include zinc - US\$1.50/lb, lead - US\$0.60/lb, copper - US\$2.50/lb, silver - US\$12/oz and gold US\$600/oz. Metal recoveries assumed include zinc - 83.4%, lead - 88.6%, copper - 81.6%, silver - 79.0% and gold - 80.4%.

The information in this report that relates to Exploration Results is based on information compiled by Dr Doug Jones, a full-time employee and Director of Liontown Resources Limited, who is a Member of the Australian Institute of Mining and Metallurgy and is a Registered Professional Geologist. Dr Jones 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.