

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 30 September 2011

Significant gold mineralisation intersected in Tanzania, East Africa



Liontown Resources Limited ABN 39 118 153 825

HIGHLIGHTS

Jubilee Reef Joint Venture Project (Northern Tanzania)

- Outstanding gold results returned from Masabi Hill and Shangaza/Panapendesa prospects, with better intersections including:
 - 28m @ 3.0g/t gold from 40m
 - 40m @ 1.2g/t gold from 8m
 - 28m @ 2.8g/t gold from 72m
 - 12m @ 2.3g/t gold from 40m
 - 22m @ 1.3g/t gold from 8m
- All mineralised zones remain open and a follow-up 5,500m RAB drilling program commenced subsequent to the end of the Quarter.
- Follow-up RC and diamond core drilling programs are being planned.

Mt Windsor Joint Venture Project (North Queensland)

- New mineralised corridor (Plateau/Nightjar Trend) discovered which includes breccia-hosted and epithermal vein-hosted gold and silver mineralisation.
- Rock chip assays of up to **3.5g/t gold, 38g/t silver and 11.4% copper** recorded from the Nightjar prospect.
- Combined 3,500m RC/Diamond core drilling program to test multiple targets commenced immediately subsequent to Quarter end.

Panhandle Project (North Queensland)

- First ever drilling program completed at 100% owned Powerline prospect.
- Strong alteration intersected with associated silver (up to 75.3g/t), lead (up to 2.2%) and zinc (up to 3.4%)

Overview

Liontown is exploring for standalone precious metal deposits in northern Queensland and northern Tanzania, East Africa. In Australia, the Company's strategy is to acquire and explore 100%-owned, early-stage projects in under-explored but well endowed mineral provinces. Overseas, where acquisition costs are higher, Liontown's preference is to enter into joint ventures where drill targets have already been defined.

Drilling programs were undertaken at the Jubilee Reef JV in Tanzania and Panhandle Project in North Queensland during the September Quarter with a third program commencing at the Mt Windsor JV Project (North Queensland) immediately subsequent to the end of the Quarter. Initial results have been very encouraging, indicating the potential for significant mineralised systems.



INVESTMENT HIGHLIGHTS

- Active exploration programs ongoing at 3 projects with potential to host major precious metal deposits.
- 5,000m drilling completed Q3 2011
- Drilling programs totaling 9,000m in progress
- Large gold system identified at Jubilee Reef JV in northern Tanzania.
- Large land position (>5,000km²) in North Queensland precious metals province with multiple drill targets defined.

For further information, please contact:

Mr Tim Goyder, Executive Chairman

Mr David Richards, Managing Director

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1. Jubilee Reef Joint Venture Project (Liontown earning 75%)

The Jubilee Reef Joint Venture Project is located approximately 850km northwest of Dar es Salaam within the Lake Victoria Goldfield of northern Tanzania (see Figure 1), an Archaean greenstone-granite terrain which hosts several multimillion ounce gold deposits including African Barrick's Bulyanhulu deposit and AngloGold Ashanti's and Geita deposit. Liontown has entered into an agreement with Currie Rose Resources Inc to earn up to 75% equity in the Project in two stages, including advancing it through to the completion of a Definitive Feasibility Study.

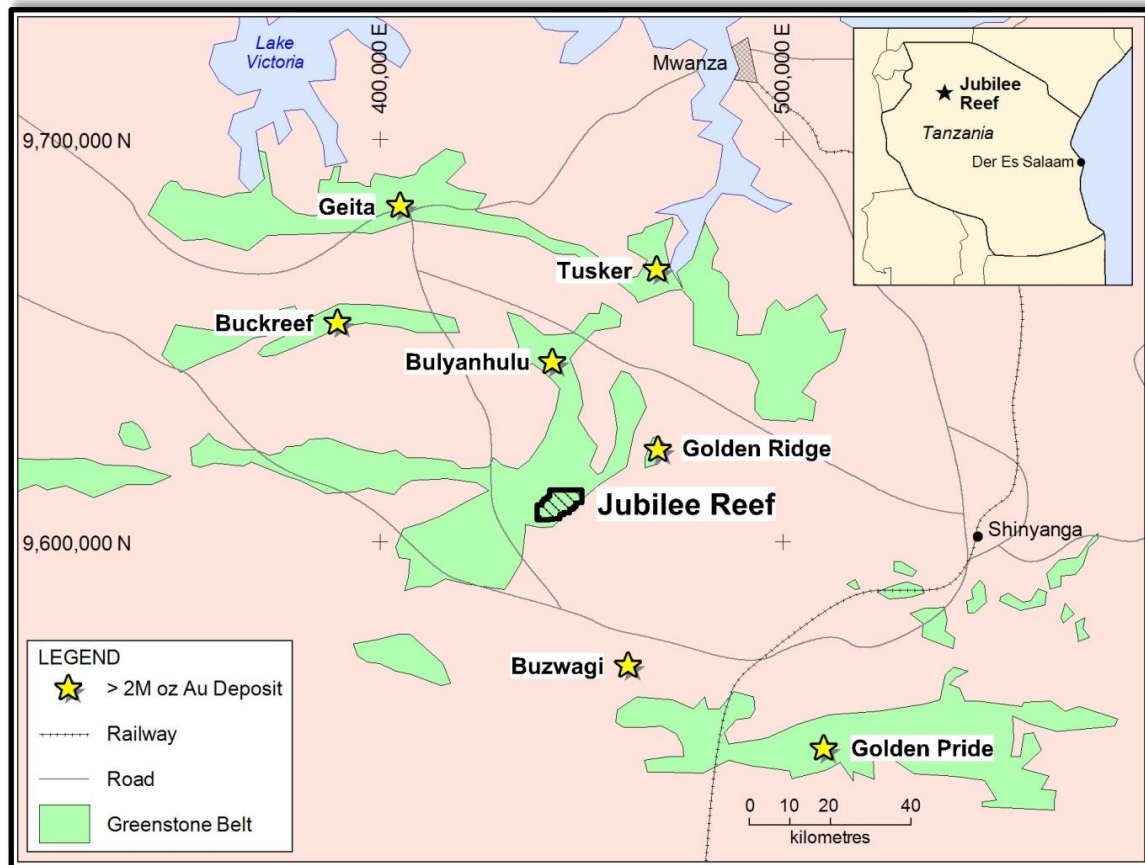


Figure 1: Jubilee Reef Project - Regional Setting

During the September Quarter, Liontown completed a program comprising approximately 4,000m of RC and RAB/Aircore drilling designed to test three gold and two iron ore prospects (see Figure 2) at the Jubilee Reef Project.

Assays have been received for all but one of the RC holes drilled into the gold prospects and for all of the RAB/Aircore drilling. Assays are pending for all holes drilled into the iron ore targets located in the eastern part of the Project area.

Gold Prospects

The drilling program was designed to test beneath and along strike of previously reported shallow gold intersections at the Masabi Hill and Shangaza/Panapendesa prospects and to intersect a previously undrilled, blind VTEM geophysical anomaly (see Figure 2).

Broad intersections of strong gold mineralisation were recorded at Masabi Hill and Shangaza/Panapendesa; however, no significant results were returned from the VTEM anomaly, which is caused by barren pyritic black shale.

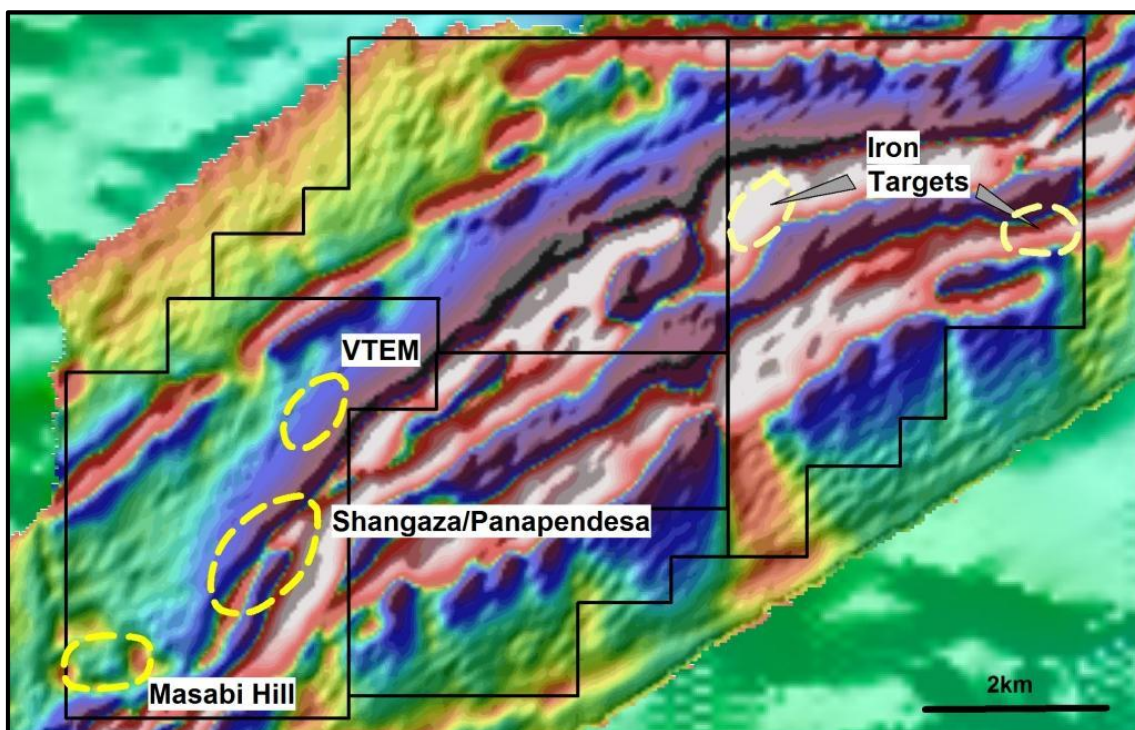


Figure 2: Jubilee Reef Project - Magnetic Image showing targets tested by drilling

Better gold intersections recorded at Masabi Hill and Shangaza/Panapendesa are shown in Tables 1 and 2 below, with results for all of the holes for which assays have been received appended at the end of this Quarterly report.

Table 1: Better RC Drill Intersections

Hole ID	Prospect	East	North	Dip	Azimuth	Depth	Significant (>0.5g/t) Gold Intersections*			
							From (m)	To (m)	Interval(m)	Grade (g/t)
JBRR018	Masabi	9042	16254	-60	335	175	40	68	28	3.02
							including 8m @7.45g/t Au from 56m			
JBRR019	Masabi	9136	16272	-60	335	175	8	48	40	1.19
							72	100	28	2.8
JBRR024	Shangaza/ Panapendesa	11282	17813	-60	155	103	including 8m @ 5.1g/t Au from 72m			
							and 8m @ 3.8g/t Au from 92m			
JBRR025	Shangaza/ Panapendesa	11351	17848	-60	155	110	40	52	12	2.3

* All assays from 4m composite sampling of 1m intervals

Table 2: Better RAB Drill Intersections

Hole ID	Prospect	East	North	Dip	Azimuth	Depth	Significant (>0.1g/t) Gold Intersections*				E.O.H
							From (m)	To (m)	Interval(m)	Grade (g/t)	
JLRB483	MASABI	9599	16100	-60	360	39	16	39	23	0.42	✓
							including 3m @1.25g/t Au at E.o.H				
JLRB488	MASABI	9600	16200	-60	360	30	8	30	22	1.3	✓
							including 12m @2.21g/t Au from 8m				
JLRB498	MASABI	9234	16040	-60	335	37	8	37	29	0.75	✓
							including 4m @ 1.6g/t from 8m and 4m @ 1.5g/t Au from 24m				
JLRB499	MASABI	9227	16053	-60	335	38	4	37	33	0.62	✓
							including 8m @ 1.74g/t Au from 8m				
JLRB523	MASABI	9601	16379	-60	360	39	24	39	15	0.75	✓
							including 8m @1.1g/t Au from 28m				
JLRB528	MASABI	9601	16480	-60	360	32	16	32	16	0.7	✓
							including 4m @1.2g/t Au at E.o.H				

* All assays from 4m composite sampling of 1m intervals

RC holes JBRR018 and JBRR019 were drilled at the Masabi Hill prospect (*see Figure 3*), confirming the down-dip extension of extensive gold mineralisation intersected in previous shallow RAB holes (*see Figures 4 and 5*). The mineralisation remains open along strike to the east and at depth.

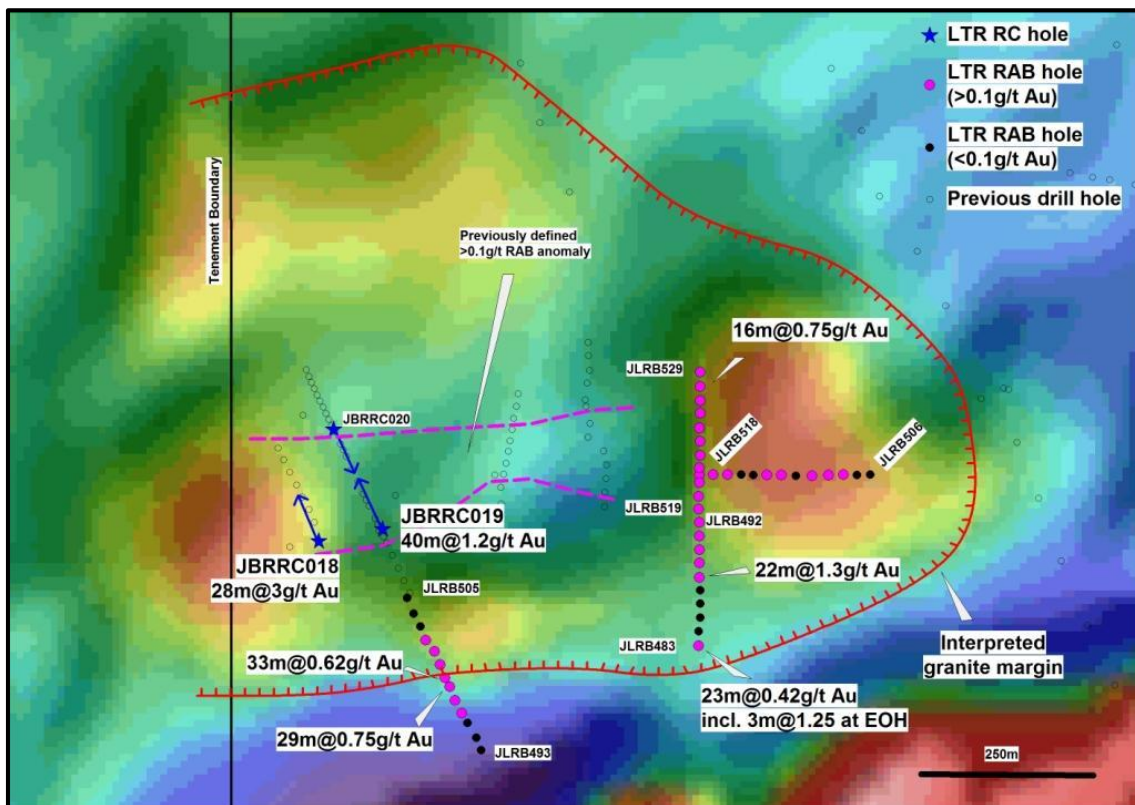


Figure 3: Masabi Hill prospect - Magnetic Image showing recent drilling and better gold intersections

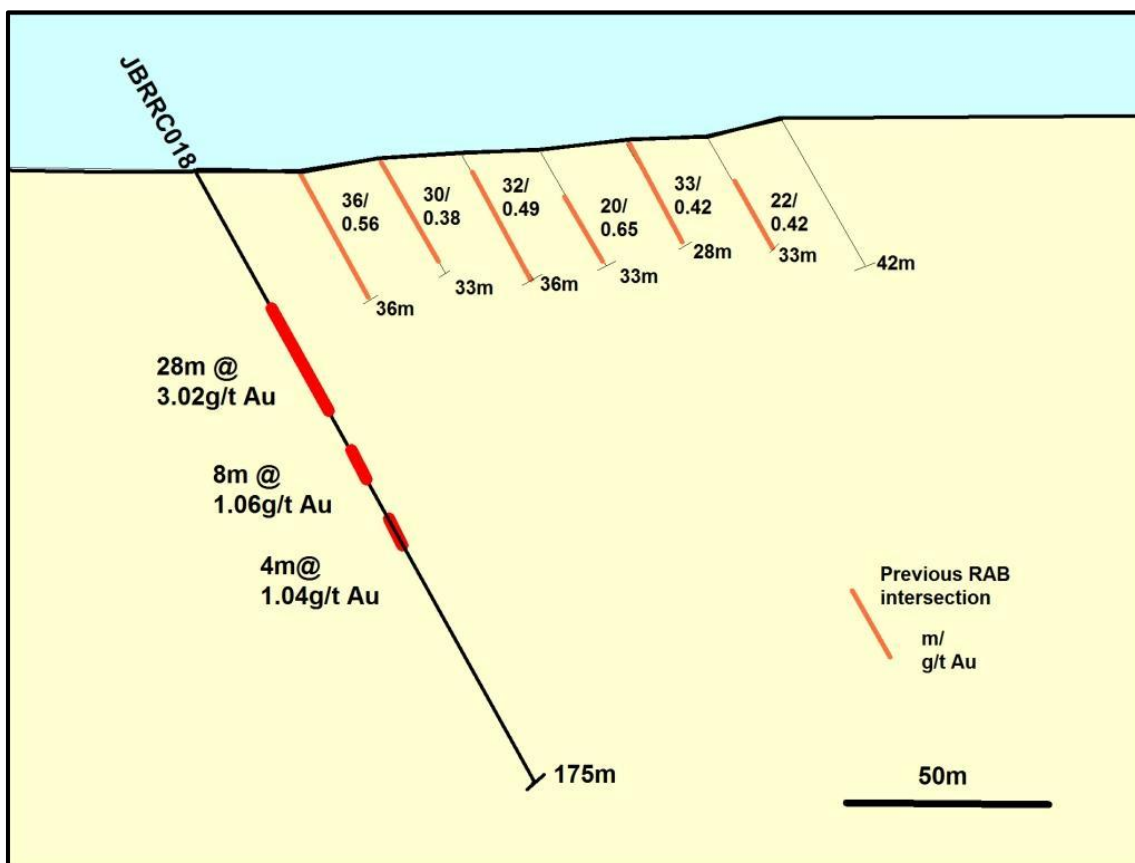


Figure 4: Masabi Hill prospect - Drill section showing RC hole JBRR018 (see Figure 3 for hole location).

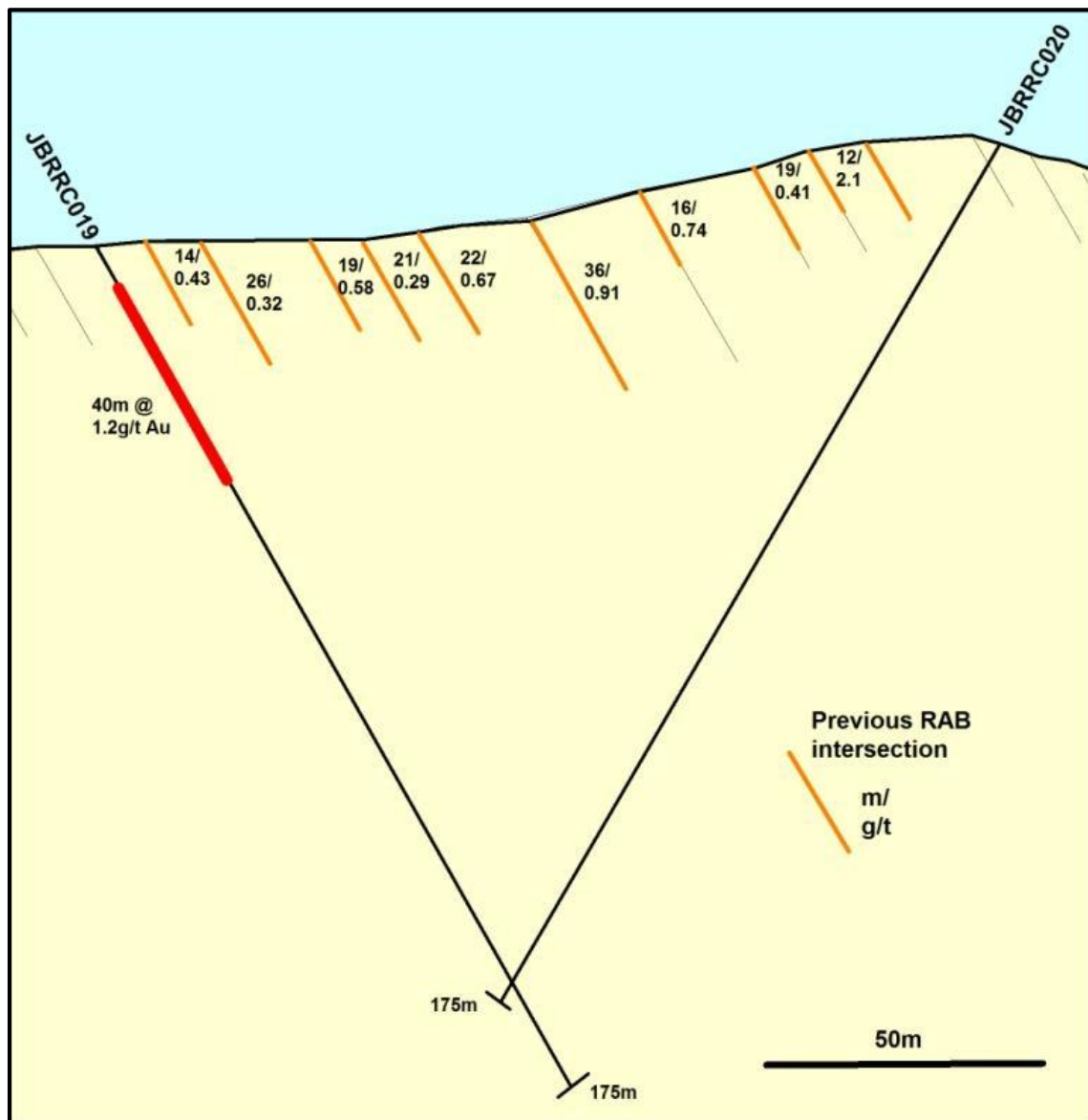


Figure 5: Masabi Hill prospect - Drill section showing RC hole JBRR019 (see Figure 3 for hole location).

The gold mineralisation at Masabi Hill is hosted by a strongly altered granitic intrusion and the RAB drilling program was designed to test for extensions of a large, 150x500m, east-west trending gold geochemical anomaly (see Figure 3) which had been partially defined by previous exploration and to intersect the previously untested contact between the granite and the adjacent greenstone lithologies.

Results from the RAB drilling confirm that strong gold anomalism ($>0.1\text{g/t}$) extends eastwards beneath shallow transported cover for at least another 350m from the previously defined mineralised zone. The latest results are of similar magnitude to those recorded by previous RAB drilling up-dip of the intersections in JBRR018 and JBRR019 (see Figures 4 and 5).

Significantly the results in JLRB483, JLRB0498 and JLRB499 confirm the potential of the granite contact zone (see Figure 3) to host economic gold mineralisation. The granite contact, which according to geophysical data extends over a strike length of at least 2.5km long within the JV area, is completely covered by shallow transported soil and has only been intersected by the single RAB traverse drilled by Liontown.

Holes JBRR024 and JBRR025 were drilled at the Shangaza/Panapendesa prospect (see Figures 2 and 6). JBRR024 was drilled approximately 50m down-dip of a previous intersection of 19m at 3.6g/t gold reported at the bottom of a RAB hole JLRB126 (see Figure 7) while JBRR025 was drilled approximately 100m along strike to the north-east.

The mineralisation at Shangaza/Panapendesa remains open along strike to the east and at depth.

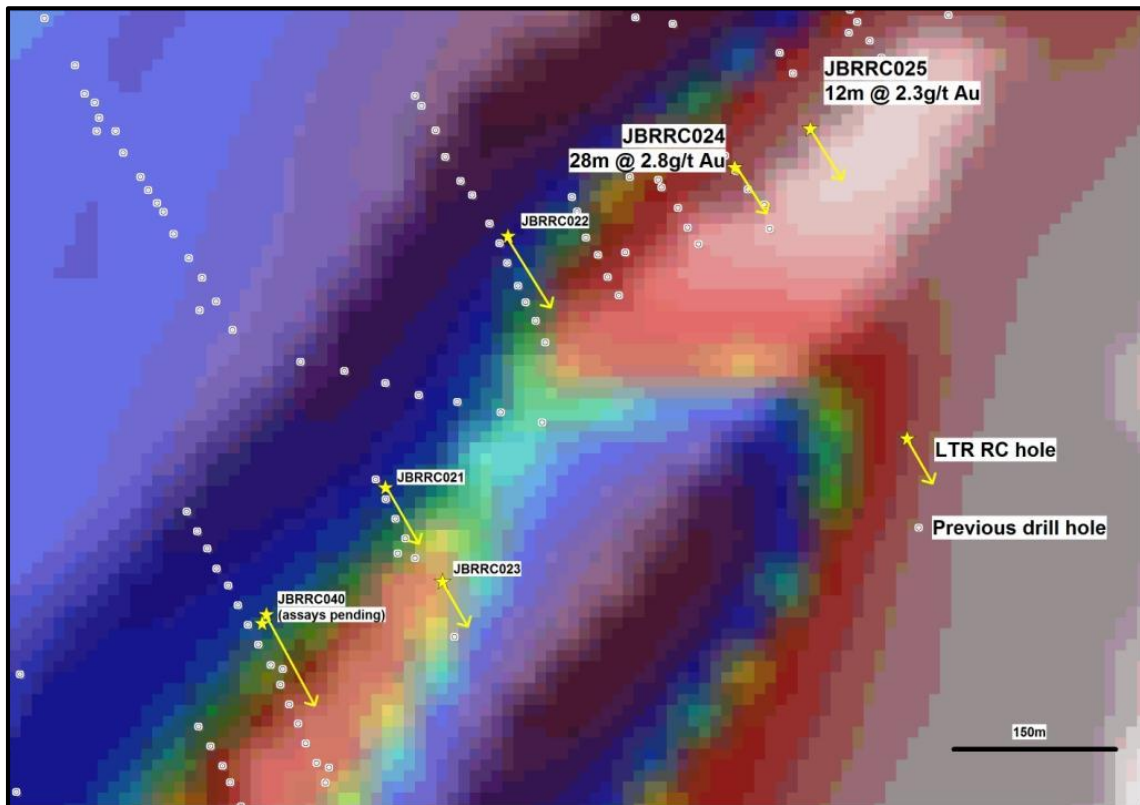


Figure 6: Shangaza/Panapendesa prospect - Magnetic image showing recently completed drilling

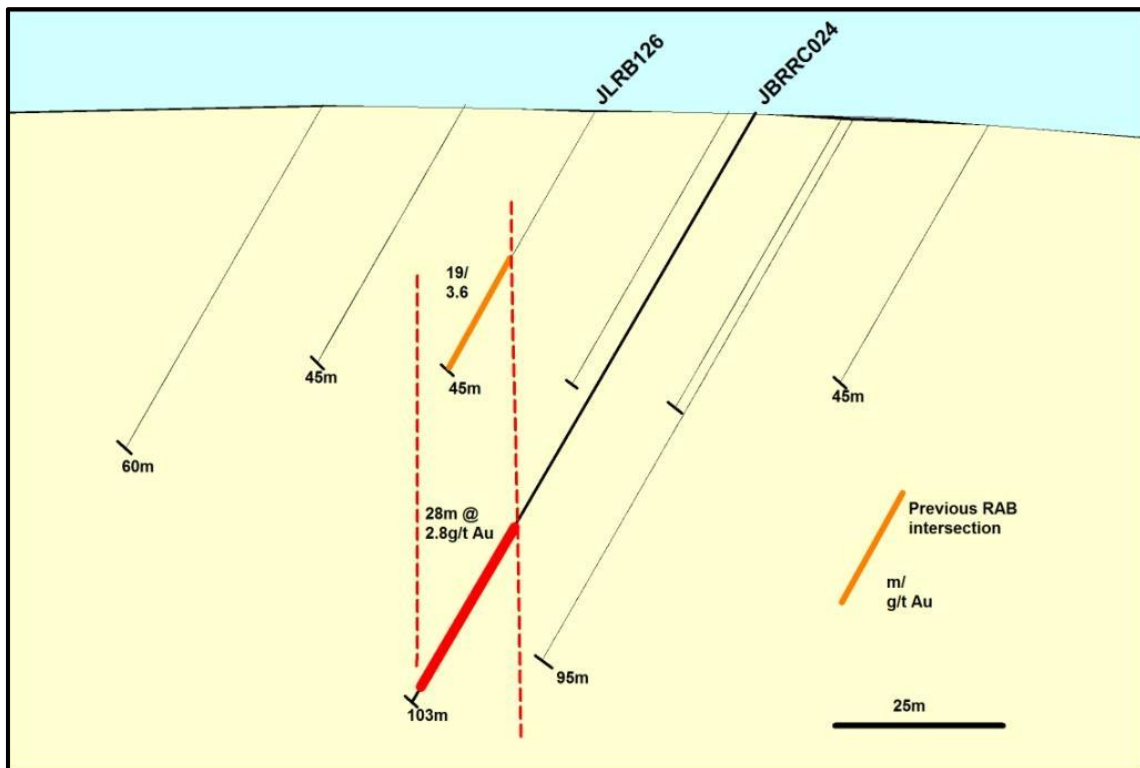


Figure 7: Shangaza/Panapendesa prospect - Drill section showing RC hole JBRR024 (see Figure 6 for hole location)

Iron Targets

The Jubilee Reef Project contains extensive strike lengths and thicknesses of banded iron formation (BIF) and previous drilling for gold has recorded intersections up to 121metres @ 32% iron.

During the September Quarter, assay results were received for 143 rock chip samples collected during the previous Quarter to assess the potential of the Project to host economic iron mineralisation. Strongly

anomalous assay results of up to 60.7% iron were returned and two RC drill traverses were completed across the zones of highest grade surface mineralisation. Assay results are pending for all holes drilled into the iron targets.

Proposed Work Program

The results received from drilling at Masabi Hill and Shangaza/Panapendesa indicate the potential for a major gold system within the Jubilee Reef JV Project. Drilling planned at Jubilee Reef includes;

- a 5,500m RAB/Aircore drilling program at Masabi Hill to define the extent of mineralisation associated with the host granite which is largely covered by transported soils;
- Diamond core drilling at Masabi Hill and Shangaza/Panapendesa to determine the controls on gold mineralisation; and
- RC drilling to estimate the size of the mineralised systems.

A RAB/Aircore rig has already been contracted and drilling commenced subsequent to the end of the Quarter. Diamond core and RC programs will be designed once all outstanding assays have been received and processed.

2. Mount Windsor Joint Venture Project (Liontown 100%, Ramelius earning 60%)

The Mount Windsor Joint Venture Project (MWJV) comprises an extensive tenement package located in the prolific Charters Towers gold field of North Queensland (see Figure 8) which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+6Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz) (see Figure 8). In April 2010, Liontown entered into a Joint Venture agreement with ASX-listed gold company Ramelius Resources Limited (Ramelius; ASX: RMS) under which Ramelius can earn up to a 60% interest in the Mt Windsor Project by spending \$7 million over 4 years with a minimum commitment of \$1.25 million in the first year.

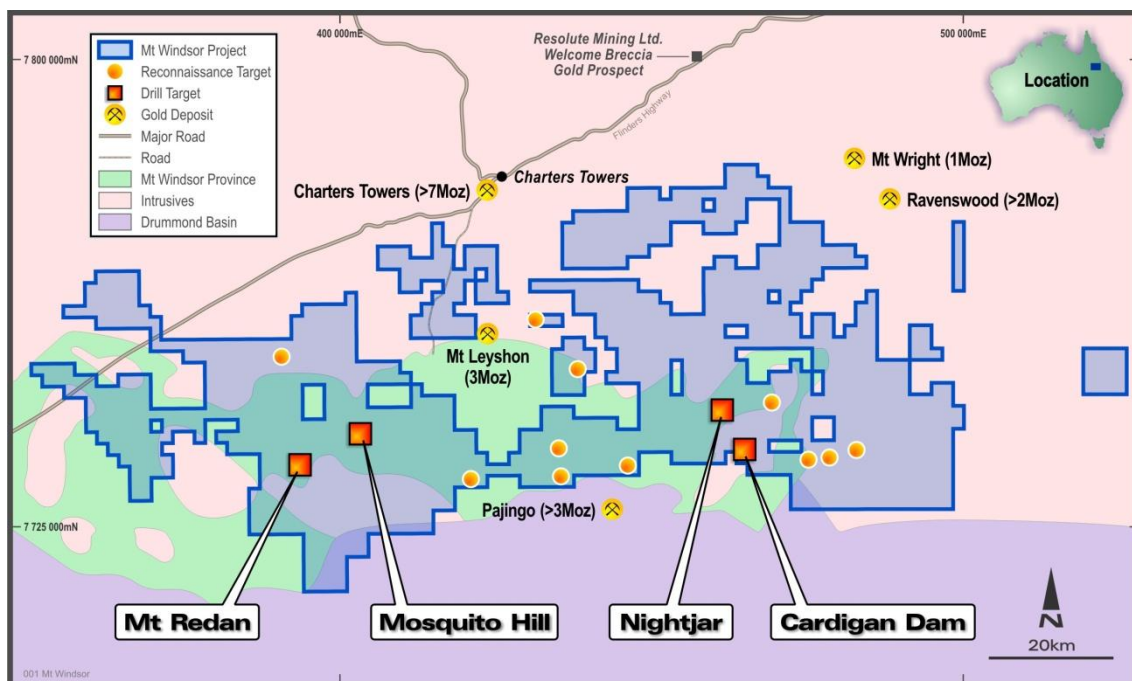


Figure 8: Mt Windsor Project - Regional geology, major deposits, tenure and targets.

During the September Quarter, Ramelius Resources identified the 2km long Plateau/Nightjar trend, located immediately northwest of the Cardigan Dam area (see Figure 8). Breccia hosted and low sulphidation epithermal vein hosted gold mineralisation has been identified along this trend, which includes the historic Plateau prospect, where drilling in the 1980s intersected up to 44m @ 2.4g/t gold in a sulphidic breccia.

The highlight of the recent work has been the discovery of the Nightjar zone (formerly referred to as Plateau North) at the northern end of the trend. Rock chip sampling and geological mapping at Nightjar has identified a mineralised structure up to 20 metres wide and 500 metres long adjacent to a discrete potassium anomaly defined by an airborne radiometric survey (*see Figure 9*).

Multiple anomalous gold (1-3.5g/t), silver (10-38g/t) and copper (1-11.4%) assays have been recorded at Nightjar by sampling of sub-crop and float within the structure, which is largely obscured by soil cover. Better rock chip assays are listed below with a complete table of results appended at the end of the report:

Sample	North	East	Au (g/t)	Ag (g/t)	Cu (%)
3007849	7742756	460702	0.1	38.1	11.4
3007858	7742819	460659	1.2	19.1	3.7
3007859	7742803	460659	2.8	8.2	0.4
3007860	7742836	460653	2.5	30.8	6.4
3007862	7742856	460670	2.7	22.2	9.9
3007863	7742867	460659	2.8	10.8	3.8
3007865	7742908	460670	3.5	16.4	2.4

The mineralised trend has not been closed off along strike and there has been no previous drilling at Nightjar which is located approximately 2km north of Plateau.

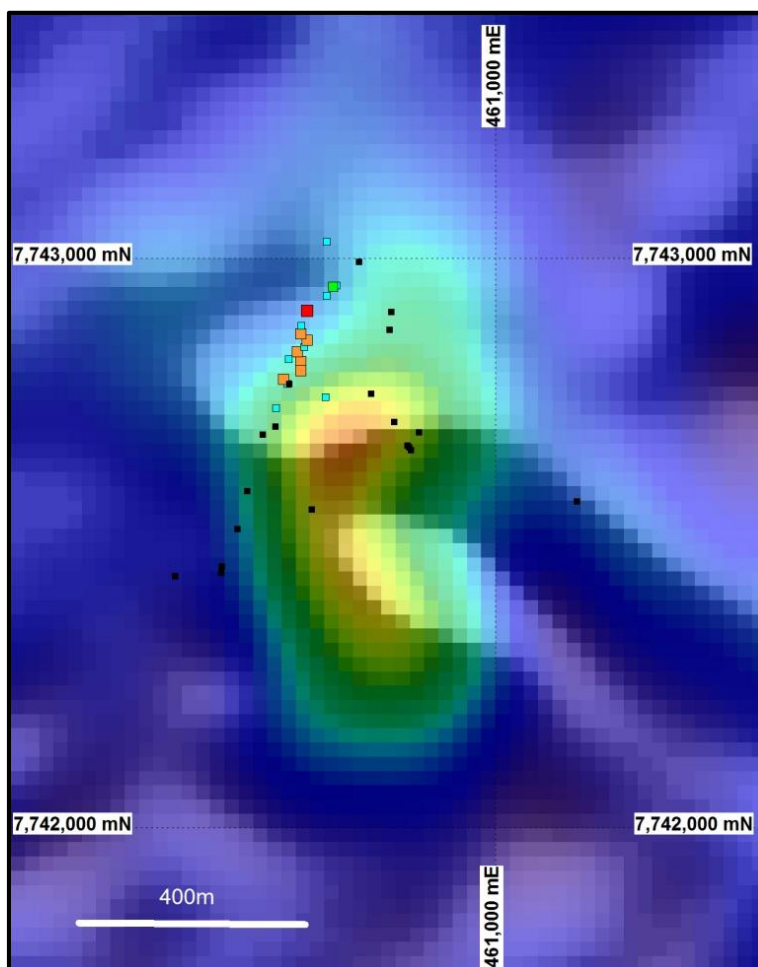


Figure 9: Nightjar Prospect - Radiometric image showing potassium anomaly and rock chip sampling (black<0.1g/t Au, blue>0.1g/t Au, green>0.5g/t Au, orange>1g/t Au, red>3g/t Au)

A 3,500 metre combined RC/Diamond core drilling program commenced immediately subsequent to the end of the September Quarter.

In addition to testing targets along the Plateau trend, drilling will also be undertaken at the Mt Redan, Mosquito Hill and Cardigan Dam prospects where previous exploration has defined large alteration zones that are interpreted to be adjacent to “blind” gold mineralised systems.

The total number of drilling metres proposed has been increased from 1,500 metres due to the discovery of the new priority targets along the Plateau/Nightjar trend.

3. Panhandle Project (Liontown 100%)

The Panhandle Project is located in North Queensland and is considered prospective for high-grade gold and silver deposits similar to those found elsewhere in the region such as Mt Carlton, Pajingo and Mt Wright.

The 100%-owned Panhandle Project covers an area of approximately 1,260km² and is located 150 kilometres south-southeast of Townsville (see Figure 10) in North Queensland.

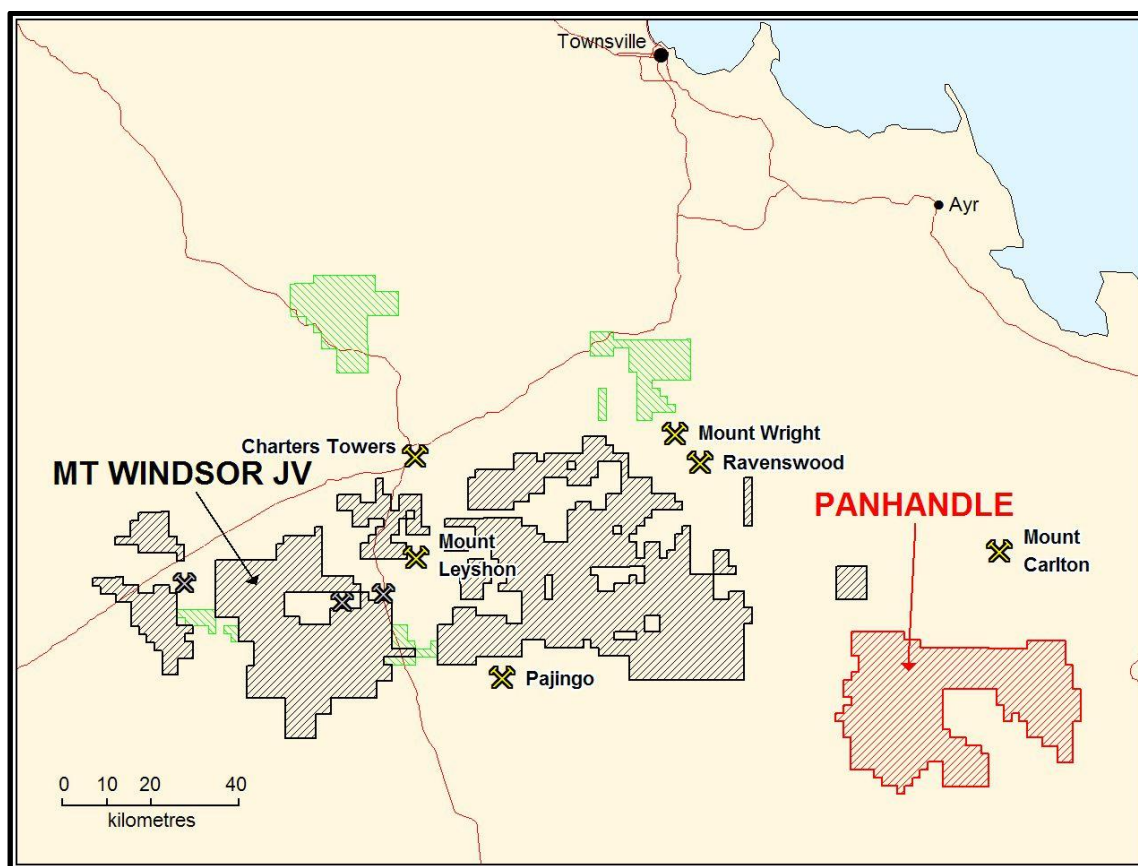


Figure 10 – Liontown Resource's tenure in North Queensland

A 2,100m RC/diamond core drill program was designed last Quarter to test silver-gold targets at the Powerline, Spade Dam and Quartz Ridge prospects (see Figure 11). Drilling was undertaken during the Quarter at the Powerline prospect; however, it could not be completed at the other prospects due to delays in finalising access negotiations with the relevant station owner.

Work is continuing to enable Liontown to access the Spade Dam and Quartz Ridge prospects and drilling is now scheduled at these prospects for the beginning of the 2012 field season.

Powerline Prospect

Two RC/diamond core (PNRD0002 - 0003) and four RC (PNR0003-0007) holes were drilled at Powerline prospect during the September Quarter for a total of 1,110 metres. The drilling was designed to test multiple zones of strong silver anomalism which have been defined over at least 1km strike and which remain open (see Figure 12). The anomalism is spatially associated with a faulted contact between two felsic volcanic units.

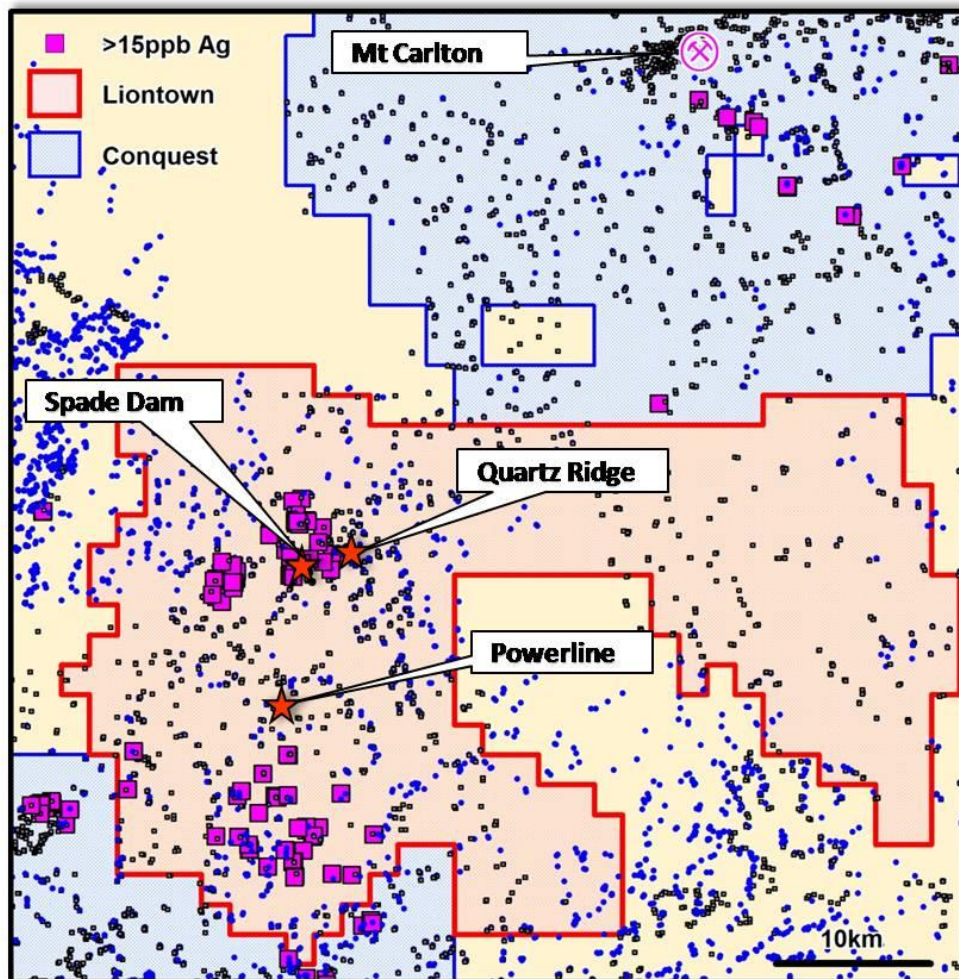


Figure 11 – Panhandle Project – Historic stream sediment sampling showing areas of significant silver anomalism defined by top 5% (>15ppb) of silver values and prospects to be drilled.

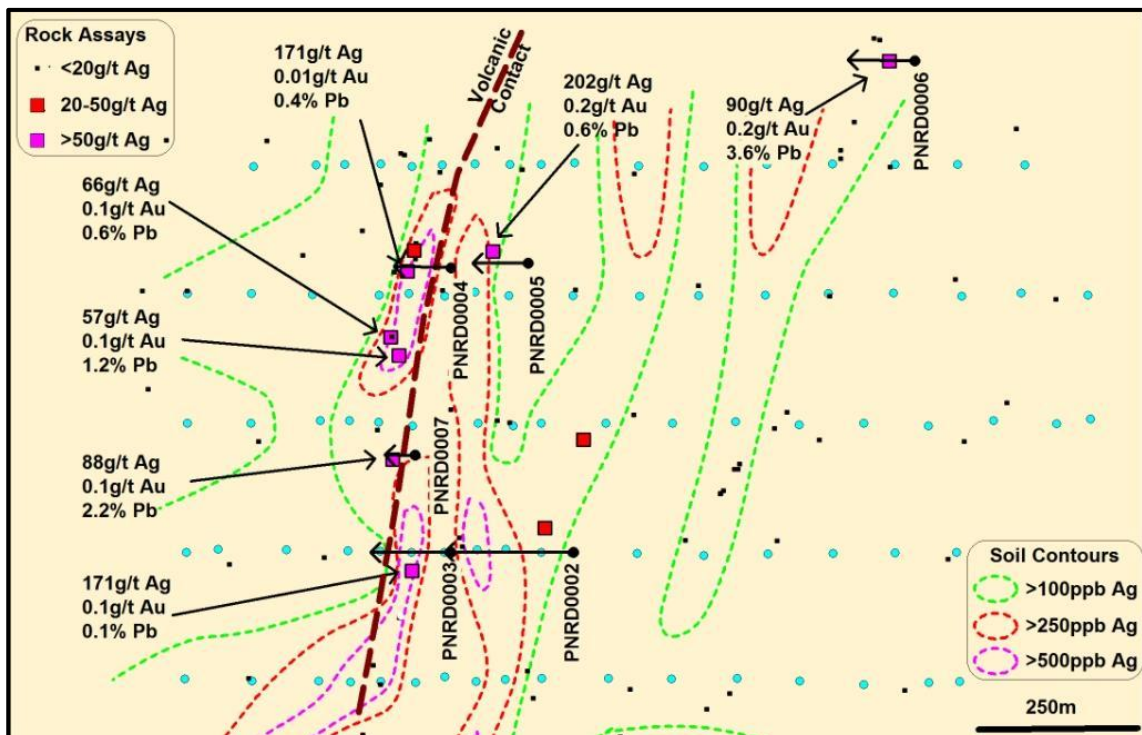


Figure 12 –Powerline prospect – surface silver geochemistry showing soil (blue dots) and rock chip sample results and recently completed drill holes.

The drilling confirmed that the faulted contact between the two volcanic units is strongly altered at depth with intense bleaching and associated pyrite, galena and sphalerite, occurring as disseminations and veinlets, observed in drill core. The intensity and width of the altered zone also appears to be increasing with depth. Better results from assays received include:

PNRD0002 1m @ 14.3g/t silver, 1.5% lead and 3.4% zinc from 303m

PNRD0003 1m @ 75.3g/t silver, 2.2% lead and 2.1% zinc from 94m

Results for all holes for which assays have been received are appended at the end of the report.

4. Corporate

Subsequent to the end of the September Quarter, the Company announced a 1-for-4 pro-rata non-renounceable rights issue to existing shareholders at 3 cents per share to raise approximately \$1.58M.

The Offer will be partially underwritten by Patersons Securities Limited with the balance being met by firm commitments from Lontown Chairman, Mr Tim Goyder, in respect of his entitlement.

The funds raised from the Offer will be used to underpin the continued exploration of the Jubilee Reef Joint Venture Project in northern Tanzania and the Panhandle Project in North Queensland.



DAVID RICHARDS
Managing Director

19th October 2011

The information in this report that relates to Exploration Results is based on information compiled by Mr David Richards, a full time employee of Lontown resources Limited, who is a Member of the Australian Institute of Geoscientists. Mr Richards 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 an context in which is appears here.

Appendix 1 - Jubilee Reef JV Project - RC Drilling/Significant (>0.5g/t) Gold Results

Hole ID	Prospect	East	North	RL	Dip	Azimuth	Depth	Significant (>0.5g/t) Gold Intersections*			
								From (m)	To (m)	Interval(m)	Grade (g/t)
JBRRC018	MASABI	9042	16254	1244	-60	335	175	4	8	4	0.99
								16	28	12	0.86
								40	68	28	3.02
								including 8m @ 7.45g/t Au from 56m			
								72	76	4	0.76
								80	88	8	1.06
								100	104	4	1.04
								136	144	8	0.89
								152	156	4	0.62
								164	168	4	1.05
JBRRC019	MASABI	9136	16272	1245	-60	335	175	0	4	4	0.53
								8	48	40	1.19
								60	64	4	0.62
								96	100	4	0.79
JBRRC020	MASABI	9064	16418	1256	-60	155	175	40	44	4	0.79
								80	84	4	0.96
								128	132	4	2.6
								148	156	8	0.86
JBRRC021	SH_PN	10963	17520	1294	-60	155	121	All<0.5g/t Au			
JBRRC022	SH_PN	11075	17750	1294	-60	155	157	All<0.5g/t Au			
JBRRC023	SH_PN	11015	17434	1308	-60	155	101	All<0.5g/t Au			
JBRRC024	SH_PN	11282	17813	1326	-60	155	103	72	100	28	2.8
								including 8m @ 5.1g/t Au from 72m			
								and 8m @ 3.8g/t Au from 92m			
JBRRC025	SH_PN	11351	17848	1349	-60	155	110	40	52	12	2.3
JBRRC026	SH_PN	10854	17404	1287	-60	155	103	Hole abandoned - redrilled as JBRRC040			
JBRRC027	VTEM	11581	19141	1296	-60	315	151	All<0.5g/t Au			
JBRRC028	IRON	16330	11316	1464	-60	150	49	Iron ore targets - assays pending			
JBRRC029	IRON	16367	11223	1460	-60	150	43				
JBRRC030	IRON	19496	10965	1435	-60	180	121				
JBRRC031	IRON	19503	11028	1450	-60	180	73				
JBRRC032	IRON	19501	11068	1453	-60	180	31				
JBRRC033	IRON	19501	11152	1464	-60	180	43				
JBRRC034	IRON	19501	11128	1466	-60	180	31				
JBRRC035	IRON	19501	11115	1456	-60	180	33				
JBRRC036	IRON	19501	11098	1456	-60	180	31				
JBRRC037	IRON	19501	11084	1464	-60	180	14				
JBRRC038	IRON	19501	11077	1455	-60	180	24				
JBRRC039	IRON	16442	11042	1422	-60	150	175				
JBRRC040	SH_PN	10850	17396	1307	-60	155	175	Assays pending			

* All assays from 4m composite sampling of 1m intervals

Appendix 2 - Jubilee Reef JV Project - RAB/Aircore Drilling/Significant (>0.1g/t) Gold Results

Hole ID	Prospect	East	North	RL	Dip	Azimuth	Depth	Significant (>0.1g/t) Gold Intersections*				E.O.H				
								From (m)	To (m)	Interval(m)	Grade (g/t)					
JLRB483	MASABI	9599	16100	1240	-60	360	39	16	39	23	0.42	✓				
JLRB484	MASABI	9599	16121	1240	-60	360	39	including 3m @1.25g/t Au at E.o.H								
JLRB485	MASABI	9601	16141	1241	-60	360	39	All <0.1g/t								
JLRB486	MASABI	9601	16162	1241	-60	360	40									
JLRB487	MASABI	9601	16181	1235	-60	360	34									
JLRB488	MASABI	9600	16200	1237	-60	360	30					8	30	22	1.3	✓
JLRB489	MASABI	9600	16221	1236	-60	360	37	including 12m @2.21g/t Au from 8m								
JLRB490	MASABI	9600	16241	1246	-60	360	40	4	20	16	0.16	✓				
JLRB491	MASABI	9600	16261	1237	-60	360	21	4	40	36	0.22					
JLRB492	MASABI	9600	16281	1239	-60	360	18	16	20	4	0.12					
JLRB493	MASABI	9280	15947	1249	-60	335	40	4	16	12	0.49					
JLRB494	MASABI	9273	15965	1252	-60	335	40	All <0.1g/t								
JLRB495	MASABI	9260	15987	1238	-60	335	40									
JLRB496	MASABI	9252	16001	1251	-60	335	37					4	32	28	0.34	
JLRB497	MASABI	9242	16020	1250	-60	335	40					12	36	24	0.22	
JLRB498	MASABI	9234	16040	1251	-60	335	37	8	37	29	0.75	✓				
								including 4m @ 1.6g/t from 8m								
								and 4m @ 1.5g/t Au from 24m								
JLRB499	MASABI	9227	16053	1253	-60	335	38	4	37	33	0.62	✓				
								including 8m @ 1.74g/t Au from 8m								
JLRB500	MASABI	9220	16072	1245	-60	335	35	8	16	8	0.12					
JLRB501	MASABI	9212	16092	1235	-60	335	37	8	16	8	0.24					
JLRB502	MASABI	9199	6108	1249	-60	335	28	8	16	8	0.1					
JLRB503	MASABI	9191	16128	1245	-60	335	22	All <0.1g/t								
JLRB504	MASABI	9181	16147	1248	-60	335	28									
JLRB505	MASABI	9172	16170	1247	-60	335	40									
JLRB506	MASABI	9850	16351	1234	-60	270	32									
JLRB507	MASABI	9831	16350	1241	-60	270	22									
JLRB508	MASABI	9811	16351	1240	-60	270	39					20	32	12	0.21	
JLRB509	MASABI	9789	16350	1241	-60	270	39	24	28	4	0.13					
JLRB510	MASABI	9765	16349	1237	-60	270	36	28	36	8	0.22	✓				
JLRB511	MASABI	9741	16349	1240	-60	270	40	All <0.1g/t								
JLRB512	MASABI	9720	16350	1242	-60	270	40	36	40	4	0.11	✓				
JLRB513	MASABI	9699	16350	1236	-60	270	40	20	24	4	0.37					
JLRB514	MASABI	9679	16350	1237	-60	270	40	All <0.1g/t								
JLRB515	MASABI	9661	16351	1231	-60	270	39									
JLRB516	MASABI	9641	16351	1241	-60	270	40					28	40	12	0.24	✓
JLRB517	MASABI	9620	16351	1239	-60	270	34					28	34	6	0.13	✓
JLRB518	MASABI	9600	16350	1237	-60	270	40	32	40	8	0.33	✓				
JLRB519	MASABI	9599	16300	1243	-60	360	40	20	32	12	0.35					
JLRB520	MASABI	9599	16319	1235	-60	360	33	28	32	4	0.28					
JLRB521	MASABI	9600	16339	1238	-60	360	31	16	31	15	0.27	✓				
JLRB522	MASABI	9600	16361	1258	-60	360	40	36	40	4	0.2	✓				
JLRB523	MASABI	9601	16379	1238	-60	360	39	24	39	15	0.75	✓				
								including 8m @1.1g/t Au from 28m								
JLRB524	MASABI	9601	16400	1234	-60	360	37	24	28	4	0.26					
JLRB525	MASABI	9600	16419	1242	-60	360	27	12	27	15	0.27	✓				
JLRB526	MASABI	9601	16441	1235	-60	360	40	16	40	24	0.29	✓				
JLRB527	MASABI	9601	16459	1236	-60	360	35	20	35	15	0.25	✓				
JLRB528	MASABI	9601	16480	1237	-60	360	32	16	32	16	0.7	✓				
								including 4m @1.2g/t Au at E.o.H								
JLRB529	MASABI	9601	16501	1239	-60	360	30	16	30	14	0.45	✓				

* All assays from 4m composite sampling of 1m intervals

Appendix 3 - Mt Windsor JV Project - Nightjar Prospect/Rock Chip Results

Sample	North	East	Au (g/t)	Ag (g/t)	Cu (%)
3007847	7742591	460565	0.0	0.0	0.0
3007848	7742690	460592	0.1	1.0	0.1
3007849	7742756	460702	0.1	38.1	11.4
3007850	7742737	460615	0.2	1.4	0.1
3007854	7742573	461143	0.0	0.1	0.0
3007855	7742779	460636	0.2	15.9	0.1
3007856	7742788	460629	1.2	10.1	0.9
3007857	7742823	460638	0.3	1.6	0.1
3007858	7742819	460659	1.2	19.1	3.7
3007859	7742803	460659	2.8	8.2	0.4
3007860	7742836	460653	2.5	30.8	6.4
3007861	7742844	460665	0.4	2.5	0.1
3007862	7742856	460670	2.7	22.2	9.9
3007863	7742867	460659	2.8	10.8	3.8
3007864	7742882	460660	0.3	5.7	1.8
3007865	7742908	460670	3.5	16.4	2.4
3007866	7742994	460761	0.0	1.0	0.2
3007867	7742906	460818	0.1	0.2	0.1
3007868	7742874	460814	0.0	0.2	0.0
3007869	7742705	460614	0.1	1.3	0.1
3007870	7742559	460678	0.1	0.9	0.0

Appendix 4 - Panhandle Project - Powerline Prospect/Significant Drill Intercepts

Hole ID	Prospect	East	North	RL	Dip	Azimuth	Hole_Type	Depth(m)	Significant intersections*					
									From(m)	To(m)	Interval(m)	Ag (g/t)	Pb (%)	Zn (%)
PNRD0002	Powerline	532301	7716897	359	-60	276	RC/DDH	359.6	303	304	1	14.2	1.5	3.4
PNRD0003	Powerline	532113	7716904	353	-60	278	RC/DDH	200.5	94	95	1	75.3	2.2	2.1
PNR0004	Powerline	532111	7717338	353	-60	270	RC	150	No significant assays					
PNR0005	Powerline	532232	7717344	351	-60	270	RC	140	Assays pending					
PNR0006	Powerline	532833	7717661	362	-60	270	RC	150						
PNR0007	Powerline	532051	7717052	349	-60	270	RC	110	No significant assays					

* >10g/t Ag, >1%Pb, >1% Zn

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

LIONTOWN RESOURCES LIMITED

ABN

39 118 153 825

Quarter ended ("current quarter")

30 SEPTEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (3 Months)
		\$A	\$A
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(325,464)	(325,464)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(196,463)	(196,463)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18,586	18,586
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST)	-	-
Net Operating Cash Flows		(503,341)	(503,341)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(503,341)	(503,341)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(503,341)	(503,341)
1.20	Cash at beginning of quarter/year to date	1,503,416	1,503,416
1.21	Exchange rate adjustments to item 1.20	6	6
1.22	Cash at end of quarter	1,000,081	1,000,081

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	129,123
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 consists of legal fees paid to a director for the provision of legal services (\$11,700), the salary and superannuation paid to the Managing Director (\$41,212) and service charges paid to the director related entity (Chalice Gold Mines Ltd) for the provision for corporate services, office rent and technical personnel (\$38,565).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,107,000
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	134,000
Total	1,241,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	575,643	492,028
5.2 Deposits at call	424,438	1,011,388
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,000,081	1,503,416

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	Queensland: - EPM18269	Acquired	0%	100%
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities (description)	Nil	Nil	N/A	N/A
7.2	Changes during quarter	N/A	N/A	N/A	N/A
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	211,073,581	211,073,581	N/A	N/A
7.4	Changes during quarter				
	(a) Increases through issues	Nil	Nil	N/A	N/A
	(b) Decreases through returns of capital, buy-backs	Nil	Nil	N/A	N/A
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter				
	(a) Increases through issues	Nil	Nil	N/A	N/A
	(b) Decreases through securities matured, converted	Nil	Nil	N/A	N/A
7.7	Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
		4,000,000	Nil	\$0.35	1 December 2012
		500,000	Nil	\$0.20	31 July 2013
		3,000,000	Nil	\$0.20	2 February 2013
		3,000,000	Nil	\$0.10	1 May 2013
		1,150,000	Nil	\$0.20	1 November 2013
7.8	Issued during quarter	Nil	Nil	N/A	N/A
7.9	Exercised during quarter	Nil	Nil	N/A	N/A
7.10	Expired during quarter	Nil	Nil	N/A	N/A
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
Company Secretary

Date: 19 October 2011

Print name: Richard Hacker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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