

QUARTERLY ACTIVITIES REPORT

For the Quarter ended 31 March 2012



Liontown Resources Limited ABN 39 118 153 825

HIGHLIGHTS

Jubilee Reef Joint Venture Project (Northern Tanzania)

- 7,000 metre drilling program scheduled to commence immediately.
- Drilling will follow up significant gold intersections recorded last year at the Masabi Hill and Panapendesa prospects. Better intersections included:
 - ✓ 27m @ 2.8g/t Au from 42m (Masabi Hill)
 - ✓ 7m @ 5.6g/t from 74m and 8m @ 3.2g/t Au from 92m (Panapendesa)
- Two new targets (Chela and Tembo), where exploration prior to Liontown defined strong gold anomalism, will also be tested by the drilling program.

Mt Windsor JV Project (North Queensland)

- Joint venture partner, Ramelius Resources, has scheduled a combined 3,500m RC/diamond core drilling program to commence during the first week of May 2012.



INVESTMENT HIGHLIGHTS

- Large gold system identified at Jubilee Reef JV in northern Tanzania. 7,000m follow up drilling program scheduled to commence immediately.
- Large land position (>5,000km²) in North Queensland precious metals province with multiple targets to be drilled in May 2012.

For further information, please contact:

Mr Tim Goyder, Executive Chairman
Mr David Richards, Managing Director
Liontown Resources Limited
Telephone +61 8 9322 7431

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). This is an Archaean greenstone-granite terrain which hosts several multimillion ounce gold deposits including African Barrick's Bulyanhulu deposit and AngloGold Ashanti's 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.

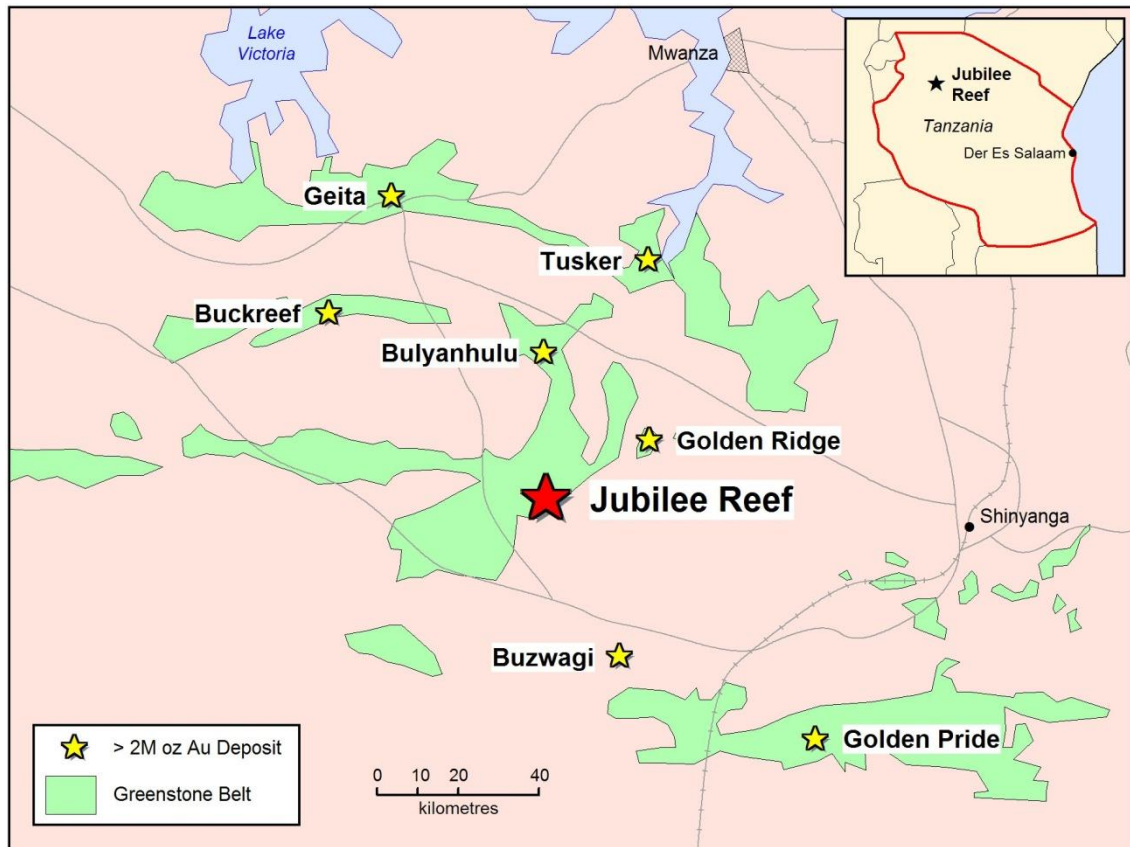


Figure 1: Jubilee Reef Project - Regional Setting

During the March Quarter, Liontown completed preparation for follow up RC, diamond core and aircore drilling at the Masabi Hill and Panapendesa prospects where drilling last year intersected significant gold mineralisation. In addition, two other gold prospects, Chela and Tembo (*see Figure 2*), have been evaluated and these will also be tested by a number of RC holes during the forthcoming drilling program. Previous exploration by other companies recorded significant gold mineralisation at both prospects.

The drilling is scheduled to commence immediately and will comprise 3,700m RC, 300m diamond core and 3,200m aircore for a total 7,200m.

At **Masabi Hill**, RC and diamond core drilling will test beneath a number of strong gold intersections (up to 27m @ 2.8g/t from 42m) recorded last year. In addition, aircore traverses will be drilled to define the extent of the gold in the host granitoid which is largely obscured by transported sediments.

At **Panapendesa**, RC holes will be drilled to test the strike extension of a mineralised trend where drilling last year intersected up to 7m @ 5.6g/t gold from 74m and 8m @ 3.2g/t from 92m in the same hole. A diamond core hole will twin these intersections to provide geological information on the controls of mineralisation. There has been no previous diamond drilling anywhere on the Jubilee Reef Project.

Exploration by previous explorers at **Chela** included soil sampling and limited RAB drilling. The RAB drilling intersected anomalous gold hosted by a granitic body (*see Figure 3*) beneath transported cover which, locally, is up to 40m thick (*see Figure 4*). A number of the previous RAB holes bottomed in >1g/t gold values; however, there has been no deep drill testing of the Chela prospect which has geological similarities to Masabi Hill. Liontown will drill RC holes into the granitic host and extend the shallow drilling to better define the limits of gold anomalism.

(NB: A complete list of holes drilled at Chela by previous explorers and significant intersections are tabled in a Lontown ASX release dated 27th January 2011).

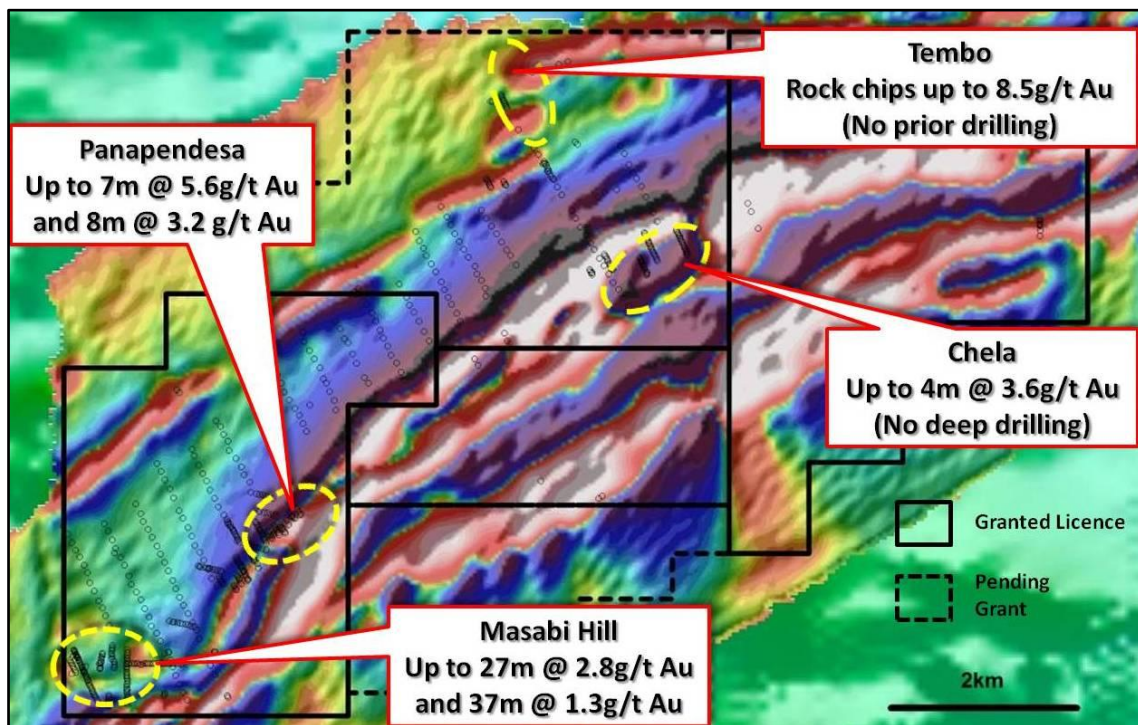


Figure 2: Jubilee Reef Project - Magnetic Image showing 2012 Phase 1 drill targets

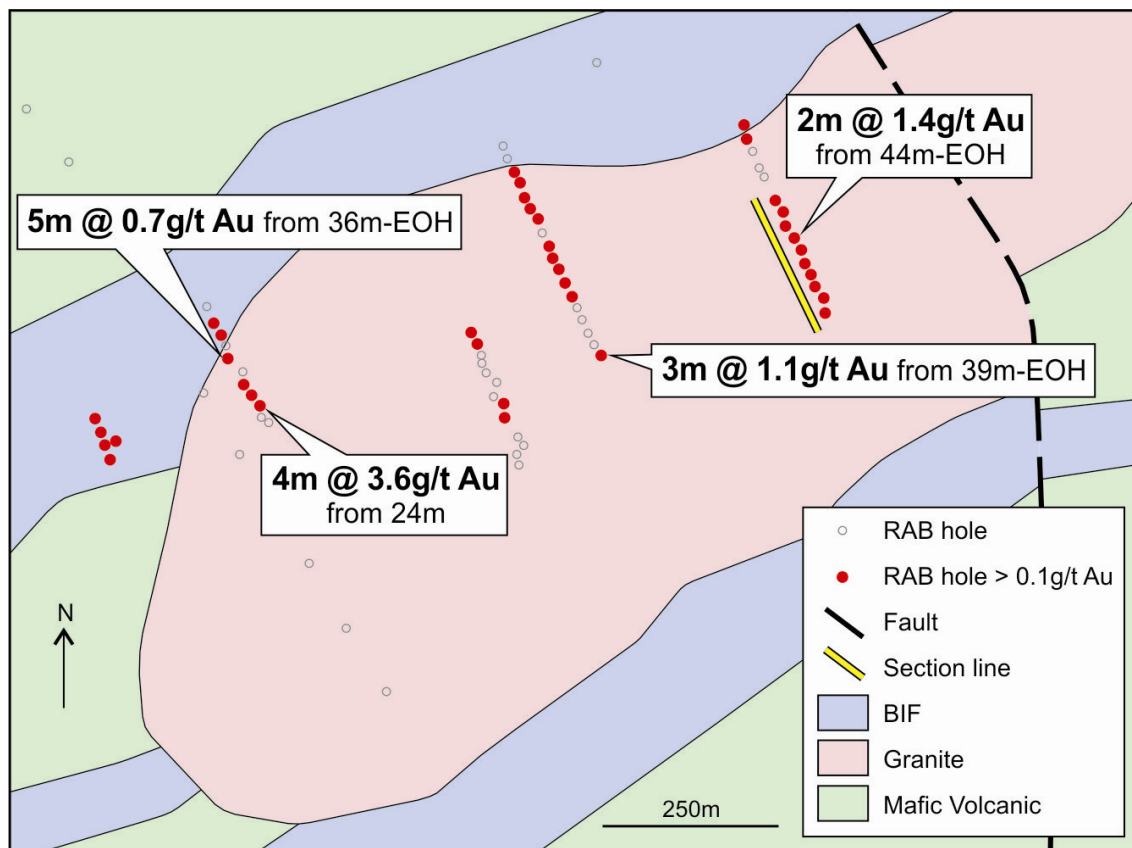


Figure 3: Chela Prospect - Interpreted geology map showing previous drilling and prospective granite body.

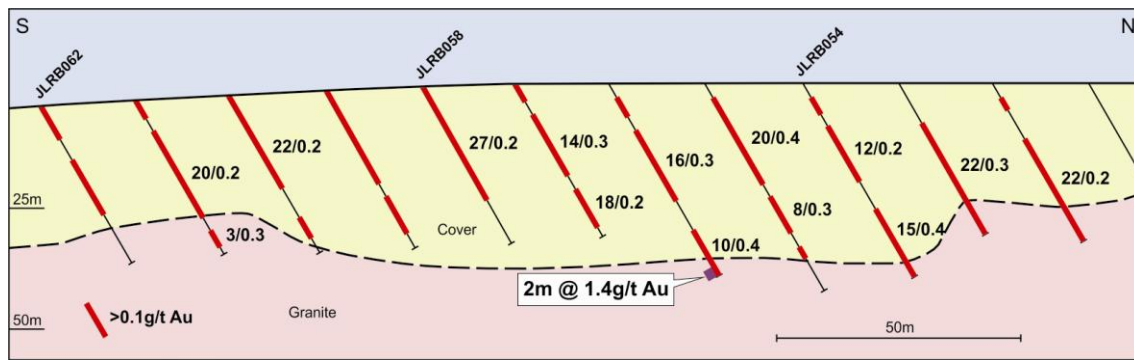


Figure 4: Chela Prospect - Drill section (see Figure 3) showing gold in previous RAB drill holes

The **Tembo** prospect is defined by rock chip sampling along a cross cutting structure which returned up to 8.5g/t gold (see Figure 2). This mineralised structure has not been drilled by previous explorers and Liontown will test it with two 100m deep RC holes.

In addition to the planned drilling, Liontown has commissioned a detailed aeromagnetic survey which is scheduled to be flown in May 2012. The survey is designed to assist with the geological understanding of the Jubilee Reef project which is largely covered by transported sediments.

2. Mega Joint Venture Project (Liontown earning 75%)

The Mega Joint Venture Project is located immediately southwest and along strike of the Jubilee Reef JV in northern Tanzania and is prospective for the same styles of gold mineralisation. Liontown has entered into an agreement with private company Tanzoz Minerals Ltd to earn up to 75% equity in the Project by funding exploration activities for the next three years.

The Mega JV area is largely blanketed by transported soils and clays with outcrop limited to a small hill comprising BIF and flanking sediments. Rock chip sampling completed by Liontown has recorded up to 0.13g/t gold and 1,115ppm arsenic from the northern flank of this hill indicating that the mineralised trends defined on the Jubilee Reef JV, immediately to the northeast, extend into the Mega JV area.

The Mega JV will be covered by the aeromagnetic survey scheduled for May at Jubilee Reef. Data from his survey will be used to better define prospective bedrock trends beneath the transported sediments and site follow up reconnaissance aircore drilling.

3. African Barrick Iron Ore Joint Venture Project (Liontown earning 70%)

The African Barrick Iron Ore Joint Venture (ABIOJV) Project covers ~530km² and abuts Liontown's Jubilee Reef JV in the Lake Victoria Goldfield of northern Tanzania. The Lake Victoria Goldfield is a similar geological terrain to the Mid-West region of Western Australia where a number of large iron ore resources have been discovered. The Project area includes significant BIF stratigraphy that has not been previously assessed for iron mineralisation. Liontown has secured the opportunity to earn up to 70% equity in the iron rights from African Barrick which is the largest gold miner in Tanzania.

During the Quarter, Liontown completed a desk top review of the African Barrick database and defined a number of iron targets over which field traversing and rock chip sampling have now been completed. Twelve traverses for a total of 21.8 line kilometres were undertaken with 35 rock chip samples collected and submitted for analyses (results pending). A decision on whether to proceed to the next stage of the Joint Venture will be made prior to the end of May.

4. 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 6) which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+7Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz) (see Figure 6). 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.

Ramelius Resources will recommence drilling at Mt Windsor in early May 2012 with the initial focus being the Cardigan Dam/Nightjar area in the south eastern part of the JV area (*see Figure 5*).

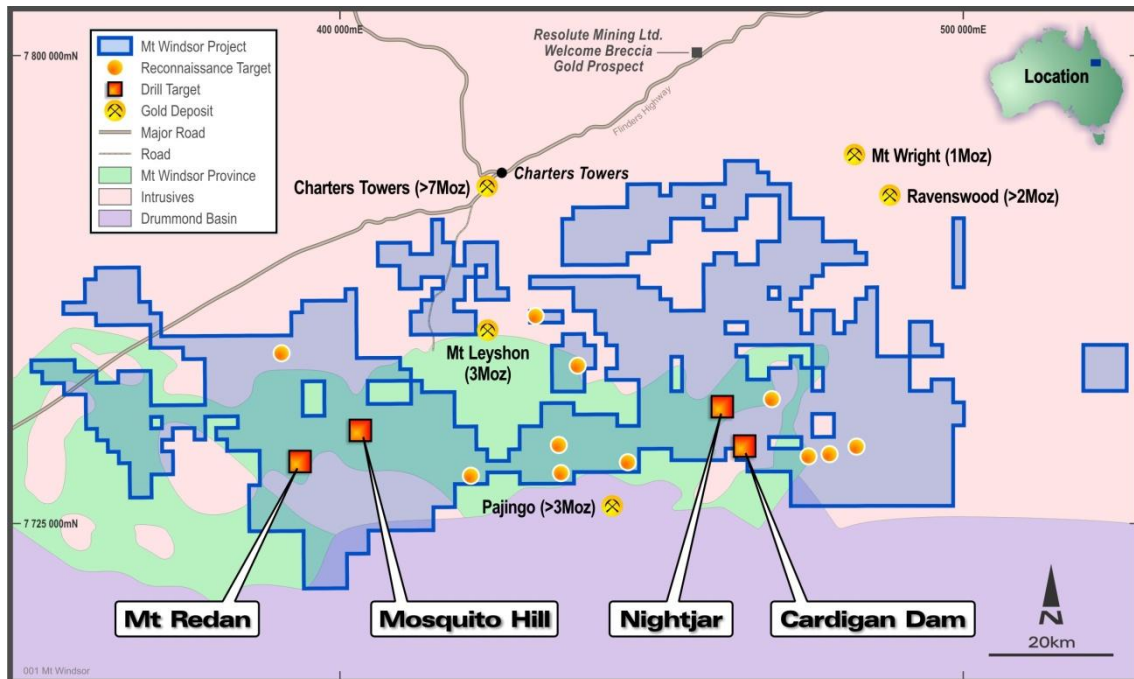


Figure 5: Mt Windsor Project - Regional geology, major deposits, tenure and targets.

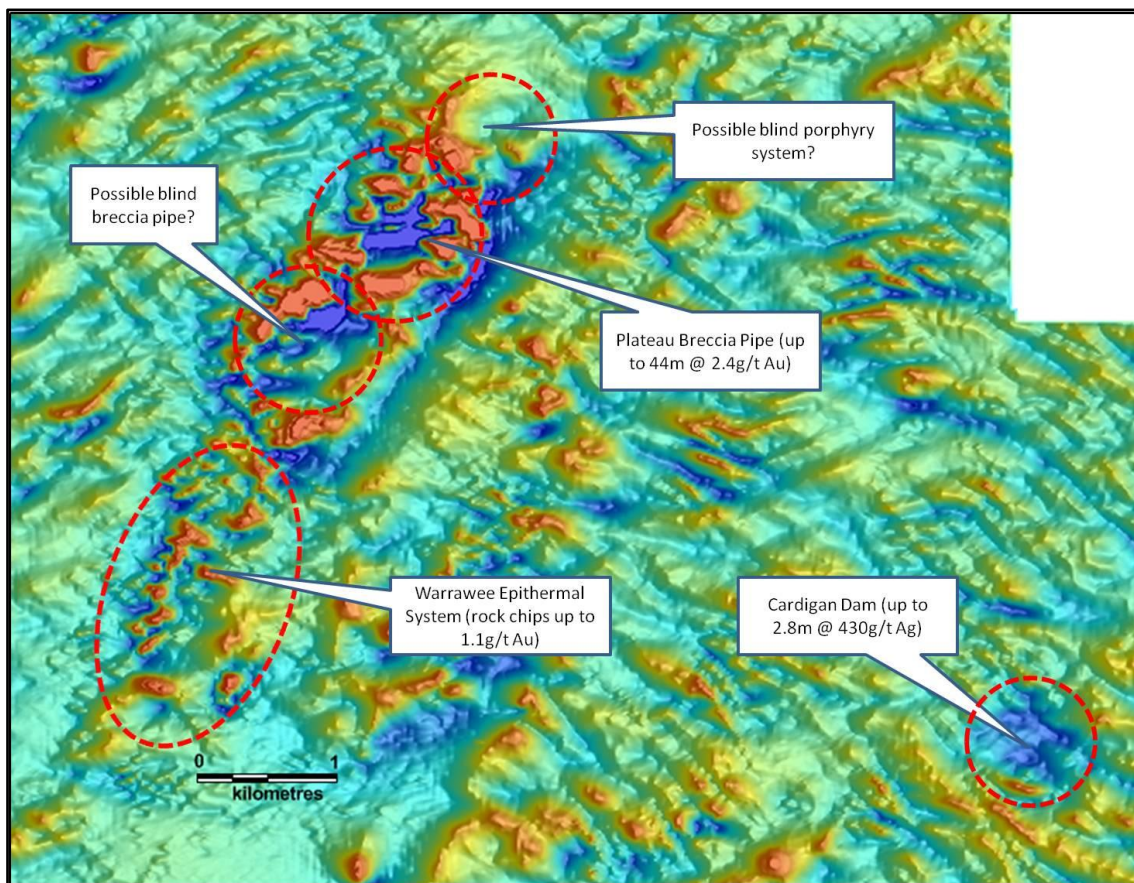


Figure 6: Mt Windsor Project - Magnetic image showing 2012 drill target areas.

Approximately 3,500m of RC and diamond drilling has been proposed with targets (*see Figure 6*) likely to include:

- The depth extension of the Cardigan Dam breccia pipe beneath drilling completed last year, results from which are interpreted to indicate the upper parts of a Mt Wright-type gold system.
- A second possible blind breccia pipe defined by a detailed aeromagnetic survey flown in late 2011 immediately southwest of the outcropping Plateau breccia pipe where drilling in the 1980s intersected up to 44m @ 2.4g/t gold.
- A possible blind porphyry system, also identified the 2011 magnetic survey, located immediately northeast of the Plateau breccia pipe. Streams draining this target, which is obscured by laterite, are strongly anomalous in copper.
- A number of epithermal quartz veins (Warrawee Epithermal System) located 1-2km southwest of Plateau which were defined by a gradient array resistivity survey and mapping completed in late 2011. Rock chip sampling of the veins which are largely obscured by shallow soil cover returned up to 1.1g/t gold.

5. Corporate

At the end of the Quarter, Liontown's available cash was approximately \$2 million.



DAVID RICHARDS
Managing Director

30th April 2012

The information in this report that relates to Exploration Results is based on information compiled by Mr David Richards, a full time employee of Liontown 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 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")

31 MARCH 2012

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A	(9 Months)
		\$A	\$A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(308,249)	(1,579,115)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(66,245)	(536,531)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14,677	40,852
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST)	-	-
Net Operating Cash Flows		(359,817)	(2,074,794)
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)	(359,817)	(2,074,794)

+ 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.	1,072,995	2,542,183
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		1,072,995	2,542,183
Net increase (decrease) in cash held		713,178	467,389
1.20	Cash at beginning of quarter/year to date	1,257,678	1,503,416
1.21	Exchange rate adjustments to item 1.20	(96)	(45)
1.22	Cash at end of quarter	1,970,760	1,970,760

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	131,491
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 1.2 consists of legal fees paid to a director for the provision of legal services (\$8,100), the salary and superannuation paid to the Managing Director (\$53,379), non-executive director fees (\$29,753) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$40,259).

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

Ramelius Resources is currently spending up to \$7 million to earn a 60 per cent interest in the Mount Windsor Project in Queensland.

+ 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	1,150,000
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	137,000
Total	1,287,000

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	62,532	245,890
5.2 Deposits at call	1,908,228	1,011,788
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,970,760	1,257,678

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	N/A			
6.2 Interests in mining tenements acquired or increased	Queensland: EPM18690 EPM18270 EPM18271	Acquired Acquired Acquired	0% 0% 0%	100% 100% 100%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

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 (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3	+Ordinary securities	293,842,181	293,842,181	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	30,000,000 Nil	30,000,000 Nil	\$0.038 N/A	\$0.038 N/A
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil	N/A N/A	N/A N/A
7.7	Options (description and conversion factor)	4,000,000 500,000 3,000,000 3,000,000 1,150,000	Nil Nil Nil Nil Nil	Exercise price \$0.35 \$0.20 \$0.20 \$0.10 \$0.20	Expiry date 1 December 2012 31 July 2013 2 February 2013 1 May 2013 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: 
Joint Company Secretary

Date: 30 April 2012

Print name: Leanne Forgione

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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+ See chapter 19 for defined terms.