

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LIONTOWN RESOURCES LIMITED

ABN

39 118 153 825

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

	Current quarter \$A	Year to date (3 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,049,825)	(1,049,825)
(b) development	-	-
(c) production	-	-
(d) administration	(348,037)	(348,037)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27,455	27,455
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Goods and Services Tax (net)	(31,025)	(31,025)
Net Operating Cash Flows	(1,401,432)	(1,401,432)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(2,233)	(2,233)
1.9 Proceeds from sale of:		
(a)prospects	1,582,500	1,582,500
(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	1,580,267	1,580,267
1.13 Total operating and investing cash flows (carried forward)	178,835	178,835

+ See chapter 19 for defined terms.

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. (net)	316,250	316,250
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(14,495)	(14,495)
1.18	Dividends paid	-	-
1.19	Other	(6,273)	(6,273)
Net financing cash flows		295,482	295,482
Net increase (decrease) in cash held		474,317	474,317
1.20	Cash at beginning of quarter/year to date	735,376	735,376
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,209,693	1,209,693

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	237,734
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 1.9 is the proceeds for the sale of the Cowan Nickel project tenements to Pindan Exploration Company Pty Ltd.
Item 1.23 consists of legal fees paid to a director related entity, directors fees, salaries and wages and superannuation paid to directors and a service charge paid to a related entity for the provision of corporate services. All transactions are on commercial terms and conditions.

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	373,000
4.2 Development	Nil
Total	\$373,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	1,209,693	735,376
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Guarantee)	-	-
Total: cash at end of quarter (item 1.22)	1,209,693	735,376

Changes in interests in mining tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	See Appendix 1 – sale of Cowan Nickel Project			

6.2 Interests in mining tenements acquired or increased	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	EPM17717	Application	0%	0%
	EPM17718	Application	0%	0%
	EPM17720	Application	0%	0%
	EPM17719	Application	0%	0%
	EPM17804	Application	0%	0%

+ See chapter 19 for defined terms.

(1) 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 <i>(description)</i>	Nil	Nil	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.	N/A	N/A	N/A	N/A
7.3 +Ordinary securities	93,600,009	85,415,298	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital.	Nil	Nil	\$0.27	\$0.27
	Nil	Nil	N/A	N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured.	Nil	Nil	N/A	N/A
7.7 Options			Exercise price	Expiry date
Share Options	5,475,000	Nil	\$0.25	18.12.2009
	1,500,000	Nil	\$0.25	31.12.2009
	250,000	Nil	\$0.35	6.8.2010
	310,000	Nil	\$0.35	1.11.2010
	4,000,000	Nil	\$0.35	1.12.2012
	250,000	Nil	\$0.20	23.04.2011
	1,250,000	Nil	\$0.225	14.07.2010
	500,000	Nil	\$0.20	31.07.2013
7.8 Issued during quarter				
Share Options	1,250,000	Nil	\$0.225	14.07.2010
	500,000	Nil	\$0.20	31.07.2013
	Nil	Nil	N/A	N/A
7.9 Exercised during quarter	Nil	Nil	N/A	N/A
7.10 Expired/Forfeited during quarter	1,250,000	Nil	\$0.35	1.12.2012
	1,500,000	Nil	\$0.50	1.12.2012
	150,000	Nil	\$0.20	23.04.2011

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	Nil	Nil
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 24 October 2008

Company Secretary

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

Appendix 1

Sale of interests in Cowan Nickel Project, Junction South Joint Venture and Logan's Find tenements

6.1 Interests in mining tenements relinquished, reduced or lapsed	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
	E15/0821	Nickel rights only	100%	0%
	E15/0822	Nickel rights only	100%	0%
	E63/0873	Nickel rights only	100%	0%
	E63/1071	Nickel rights only	100%	0%
	M15/0786	Nickel rights only	100%	0%
	P15/4594	Nickel rights only	100%	0%
	P15/4595	Nickel rights only	100%	0%
	P15/4596	Nickel rights only	100%	0%
	P15/4600	Nickel rights only	100%	0%
	P15/4602	Nickel rights only	100%	0%
	P15/4605	Nickel rights only	100%	0%
	P15/4606	Nickel rights only	100%	0%
	P15/4607	Nickel rights only	100%	0%
	P15/4608	Nickel rights only	100%	0%
	P15/4609	Nickel rights only	100%	0%
	P15/4612	Nickel rights only	100%	0%
	P15/4613	Nickel rights only	100%	0%
	P15/4614	Nickel rights only	100%	0%
	P15/4619	Nickel rights only	100%	0%
	P15/4671	Nickel rights only	100%	0%
	P63/1251	Nickel rights only	100%	0%
	P63/1252	Nickel rights only	100%	0%
	P63/1253	Nickel rights only	100%	0%
	P63/1257	Nickel rights only	100%	0%
	P63/1258	Nickel rights only	100%	0%
	P63/1259	Nickel rights only	100%	0%
	P63/1260	Nickel rights only	100%	0%
	P63/1261	Nickel rights only	100%	0%
	P63/1262	Nickel rights only	100%	0%
	P63/1263	Nickel rights only	100%	0%
	P63/1264	Nickel rights only	100%	0%
	P63/1265	Nickel rights only	100%	0%
	P63/1267	Nickel rights only	100%	0%
	P63/1268	Nickel rights only	100%	0%
	P63/1269	Nickel rights only	100%	0%
	P63/1270	Nickel rights only	100%	0%
	E15/0740	Nickel rights only	100%	0%
	E15/0828	Nickel rights only	100%	0%
	E15/0829	Nickel rights only	100%	0%
	E15/0838	Nickel rights only	100%	0%
	E15/0860	Nickel rights only	100%	0%
	E15/1007	Nickel rights only	100%	0%
	E15/1008	Nickel rights only	100%	0%
	P15/4615	Nickel rights only	100%	0%
	P15/4618	Nickel rights only	100%	0%
	P15/4626	Nickel rights only	100%	0%
	P15/4629	Nickel rights only	100%	0%

6.1 Interests in mining tenements relinquished, reduced or lapsed

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
P15/4630	Nickel rights only	100%	0%
P15/4632	Nickel rights only	100%	0%
P15/4633	Nickel rights only	100%	0%
P15/4644	Nickel rights only	100%	0%
P15/4646	Nickel rights only	100%	0%
P15/4647	Nickel rights only	100%	0%
P15/4648	Nickel rights only	100%	0%
P63/1271	Nickel rights only	100%	0%
P63/1272	Nickel rights only	100%	0%
P63/1274	Nickel rights only	100%	0%
P63/1275	Nickel rights only	100%	0%
P63/1276	Nickel rights only	100%	0%
E15/0160	Nickel rights only	100%	0%
M15/0338	Nickel rights only	100%	0%
M15/0352	Nickel rights only	100%	0%
M15/0375	Nickel rights only	100%	0%
M15/0388	Nickel rights only	100%	0%
M15/0507	Nickel rights only	100%	0%
M15/0580	Nickel rights only	100%	0%
M15/0581	Nickel rights only	100%	0%
M15/0620	Nickel rights only	100%	0%
M15/0629	Nickel rights only	100%	0%
M15/0639	Nickel rights only	100%	0%
M15/0640	Nickel rights only	100%	0%
M15/0642	Nickel rights only	100%	0%
M15/0680	Nickel rights only	100%	0%
M15/0681	Nickel rights only	100%	0%
M15/0682	Nickel rights only	100%	0%
M15/0683	Nickel rights only	100%	0%
M15/0684	Nickel rights only	100%	0%
M15/0685	Nickel rights only	100%	0%
M15/0815	Nickel rights only	100%	0%
M15/0817	Nickel rights only	100%	0%
M15/0820	Nickel rights only	100%	0%
M15/0976	Nickel rights only	100%	0%
M15/0977	Nickel rights only	100%	0%
E15/0148	Junction South JV	60%	0%
E15/0914	Junction South JV	60%	0%
M15/0654	Junction South JV	60%	0%
M15/0655	Junction South JV	60%	0%
M15/1052	Junction South JV	60%	0%
P15/4830	Junction South JV	60%	0%
E15/0849	Logan's Find	100%	0%