
Mount Windsor

- An initial 5,983 metre RAB drilling program testing targets along the 4 km Liontown Mineralised Corridor returned a number of encouraging intercepts, confirming potential extensions to known mineralisation.
- Better intercepts included:
 - 12m @ 5.31% zinc in MWR 009, 2m @ 5.06% zinc in MWR 029 and 6m @ 2.21% zinc in MWR 028 at the Cougartown prospect
 - 38m @ 1.8 grams per tonne gold including 2m @ 5.06 grams per tonne gold from hole MWR037 at the Tigertown prospect

Sheep Mountain

- Compilation of historical data preparatory to a new resource estimate has commenced on the supergene copper-molybdenum mineralization at Sheep Mountain East.
- Liontown Resources has entered into an option to acquire the adjacent Sheep Mountain West property thereby consolidating our position in the Sheep Mountain district.

Phosphate Properties in Brazil

- Liontown Resources has commenced a new initiative with the lodging of applications for exploration licences covering phosphate and zeolite prospects in Brazil.
- Phosphate applications cover along-strike continuations of phosphatic formations hosting major operating and dormant phosphate mines.

Cowan Nickel Project Sale

- The Agreement to sell the Cowan Nickel Project to Panoramic Resources Limited ("Panoramic") (formerly Sally Malay Limited) for cash consideration of \$1.685 million was completed. Panoramic also subscribed for 2.75 million shares in Liontown Resources at \$0.115 each, and has received 1.25 million options, taking total cash proceeds to \$2 million.

Corporate

- Dr Doug Jones has been appointed as the Company's new Chief Executive Officer and Managing Director, replacing Andrew Bantock.

DOUG JONES
Managing Director

23 October 2008

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

The Company completed a 5,983 metre RAB/aircore drilling programme within the 4 kilometre Liontown Mineralised Corridor and adjacent areas. The drilling targeted areas of previously identified zinc-lead-gold anomalism at Tigertown-Cougartown as well as strike extensions of the Liontown and Waterloo Horizons.

Drilling at Cougartown confirmed a broad 200 metre by 80 metre zone of primarily zinc mineralisation, open to the east, west and down dip. The zone is almost consistently mineralised at >0.1% zinc with best results of 12m @ 5.31% zinc in MWR 009, 2m @ 5.06% zinc in MWR 029 and 6m @ 2.21% zinc in MWR 028 in apparently stockwork style mineralisation suggestive of a footwall alteration zone (figure 1).

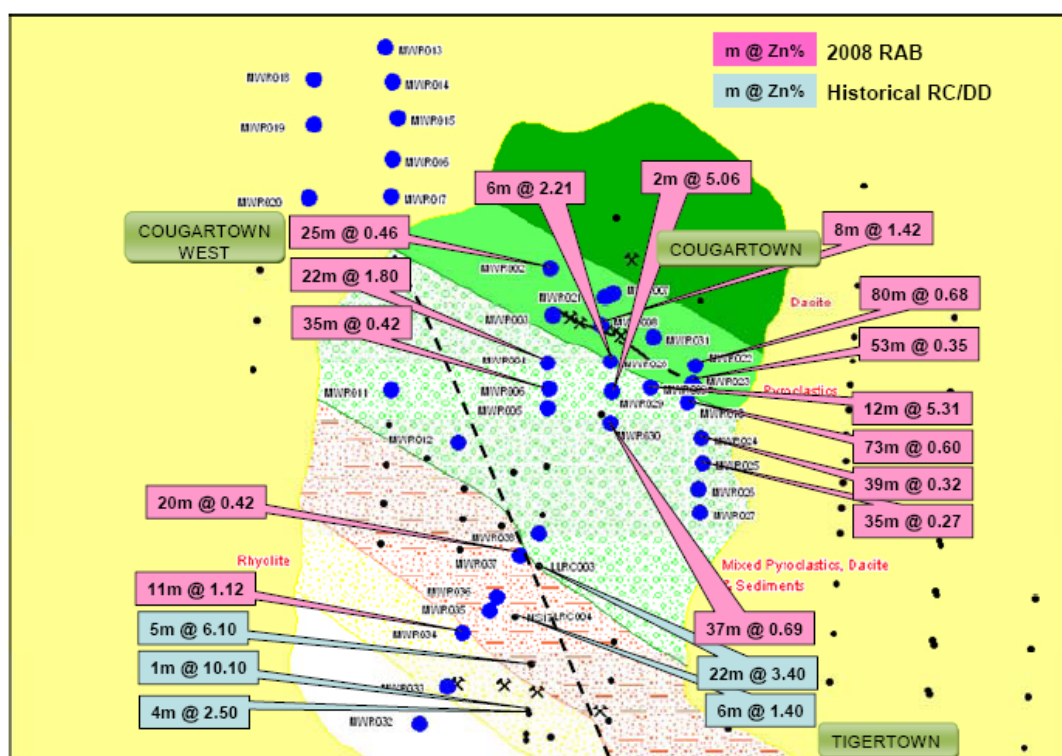


Figure 1: Niton XRF zinc results from RAB drilling at the Tigertown-Cougartown prospect west of Liontown

Samples from selected intervals were also analysed for gold. The best result from the program was 38m @ 1.8 grams per tonne gold from hole MWR037 at Tigertown, including 2m @ 5.06 grams per tonne gold. This intercept is associated with cherts in hangingwall sediments and confirms high gold values intersected in historical drilling of up to 8m @ 4.24 g/t Au and 56.38g/t Ag (LLRC003).

Analysis of results from drilling extensions of the Liontown horizon has confirmed the presence of high level lead, zinc and copper anomalism around 1 kilometre east of Liontown that may be indicative of a blind sulphide lens beneath Campaspe cover. This and other targets defined by the RAB program represent high priority targets for follow up with RC and diamond drilling.

During the quarter the Company also completed an aeromagnetic survey over parts of the Mount Windsor Volcanics south of Liontown. The survey revealed a number of annular magnetic anomalies indicative of shallow intrusive and breccia complexes. These lie within the Mt Leyshon structural corridor and represent high priority gold targets.

The Company is currently reviewing results from the programs conducted over the last 12 months with a view to rationalising its extensive exploration tenure in the Charters Towers district.

2.0 SHEEP MOUNTAIN PROJECT (LIONTOWN OPTION TO ACQUIRE 100%)

Work has continued on the Sheep Mountain Project (Lone Tree Claims) throughout the quarter, with efforts directed to recovering all available historical geological and drilling data and compiling it into a digital database – the first time this has been attempted for this project. This is now largely complete and geological modelling of the mineralization is underway preparatory to modelling of the supergene copper-molybdenum resource (see our June 10th press release) as a guide to future exploration and development options.

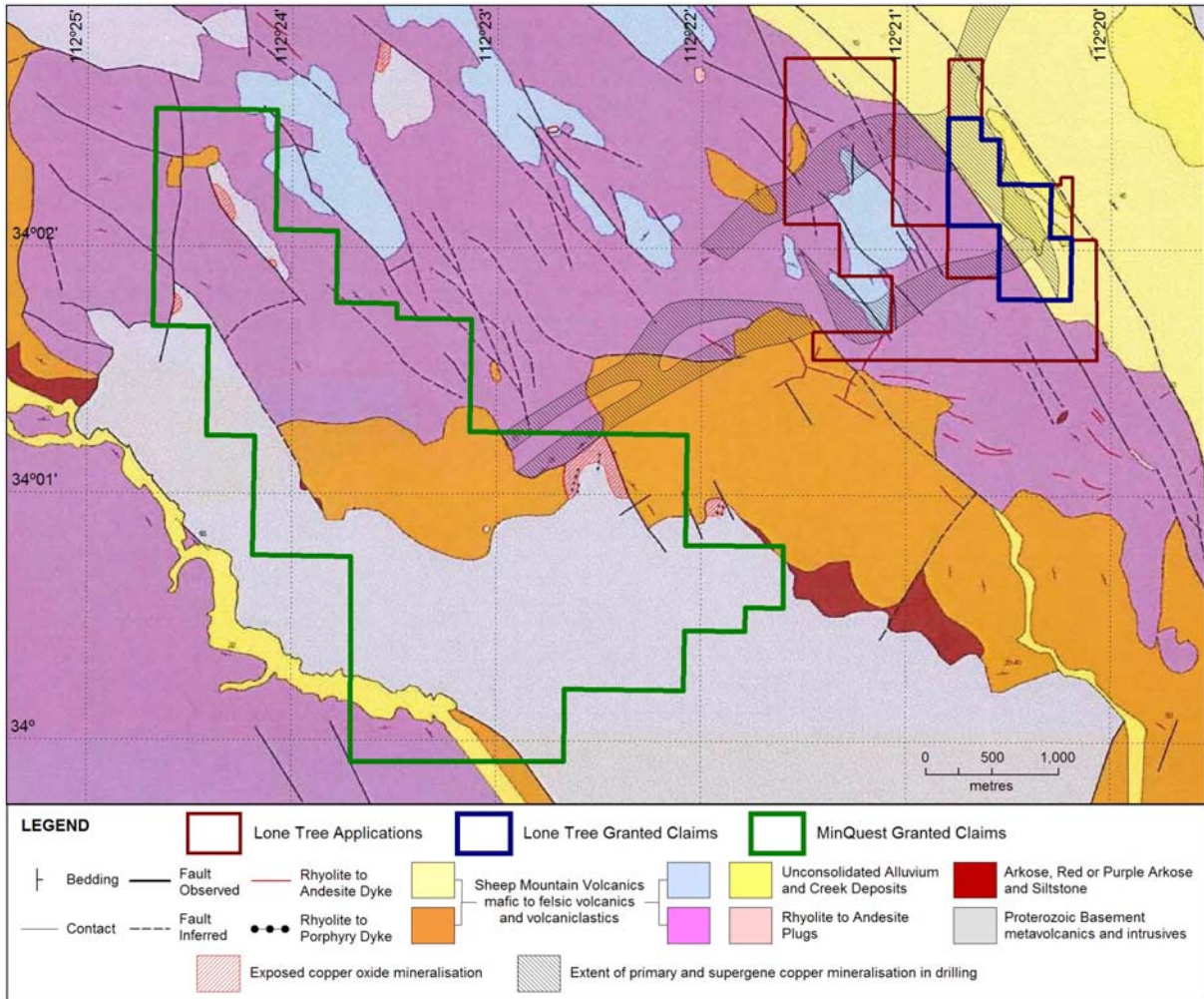


Figure 2: Geology of the Sheep Mountain Project showing claims optioned by Liontown and mineralization

Liontown Resources has entered into an option agreement with Reno, Nevada based MinQuest, Inc (“MQI”) to acquire the Sheep Mountain West Project which adjoins the Sheep Mountain Lone Tree claims. Sheep Mountain West consists of 104 unpatented lode claims and an Arizona state section claim application collectively covering approximately 1120 hectares in Yavapai County, north central Arizona.

The Sheep Mountain West claims cover the western extension of the Sheep Mountain mineralised system where post-mineral volcanic cover is thinner or stripped off. A number of north-westerly trending faults cross the area along which vertical movements have occurred. This may have preserved supergene copper mineralization in down-faulted blocks, as has been postulated for the supergene deposit on Liontown Resources’ Sheep Mountain Lynn Claims to the east. Recent MQI drilling intersected up to 18 metres of oxide copper mineralisation grading 0.29% postulated to overlie a deeper supergene zone, a concept that requires further testing.

3.0 PHOSPHATE PROPERTIES IN BRAZIL (LIONTOWN OPTION TO ACQUIRE 100%)

Liontown Resources has applied for 32 phosphate exploration permits within 6 blocks covering 600 square kilometres in the Brasilia Fold Belt of western Minas Gerais State (figure 3). The area lies some 250 kilometres southeast of the national capital Brasilia and has a well developed transport and mining infrastructure. It is also a major agricultural region and hence a major local consumer of phosphate fertiliser.

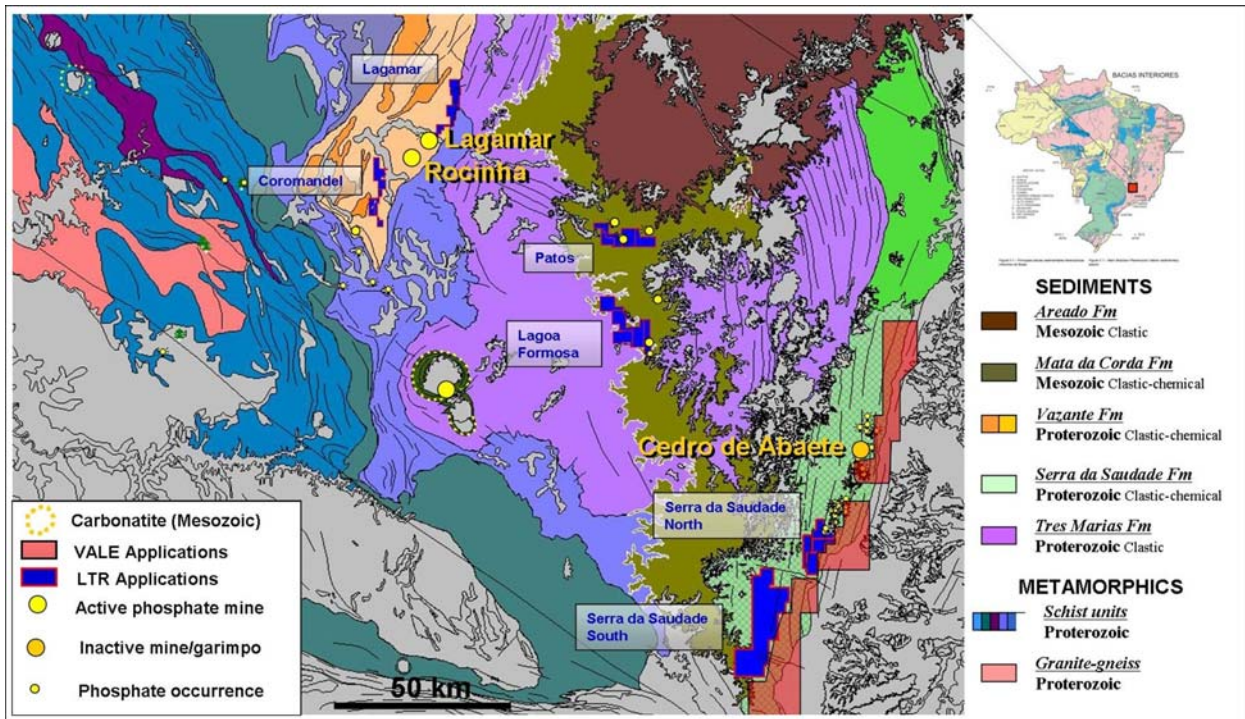


Figure 3: Liontown phosphate exploration applications in the Patos de Minas phosphate district, Minas Gerais, Brazil

The permits cover sedimentary phosphorite formations of the late Proterozoic Bambuí Group, the main phosphate producing rock unit in Brazil. Liontown Resources’ applications cover strike extensions of the Vazante and Serra do Saudade Formations that host major operating or dormant phosphate mines at Lagamar and Rocinha as well as numerous occurrences and ‘garimpos’ (small scale informal mines). A 2002 report by the USGS states global resources for these deposits exceeding 500 million tonnes grading 10-26% P₂O₅. Interest in phosphate in this district has increased markedly in recent months and applications were successfully lodged ahead of competitors. The region is also highly prospective for base metals, diamond (both alluvial and kimberlite-hosted) and phosphate/specialty metals related to carbonatites.

Liontown Resources has also applied for 7 zeolite exploration permits covering 690 square kilometres in southern Maranhão State in northeastern Brazil.

Brazil, with annual phosphate rock production (in 2006) of around 5.8 million tonnes, supplies approximately 4% of world production and is the 7th largest world producer. However it is also a

major importer of phosphate rock for both agricultural and industrial needs and this consumption is increasing. This growing internal market is seen as a significant opportunity for Liontown Resources.

4.0 CORPORATE

Liontown Resources' Chief Executive and Managing Director Andrew Bantock resigned during the quarter to pursue other interests. Dr Doug Jones, previously the Company's Technical Director, has been appointed as the Company's new Chief Executive and Managing Director.

Dr Jones is a Geologist with over 30 years experience in international minerals exploration in Australia, Africa, South America and Europe, including with Pancontinental Mining, Delta Gold, AurionGold and TSX-listed Golden Star Resources - where he has operated at senior management level and led discoveries, new project generation and corporate development. He was previously a Director of TSX-listed Moto Goldmines Limited and is currently a Director of AIM-listed Minera IRL Ltd.

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 Chartered 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.
