

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 December 2012

Consolidated statement of cash flows

	Current quarter \$A	Year to date (6 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,162,548)	(2,144,296)
(b) development	-	-
(c) production	-	-
(d) administration	(221,083)	(389,831)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24,952	32,231
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,358,679)	(2,501,896)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,010)	(1,930)
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	(1,010)	(1,930)
1.13 Total operating and investing cash flows (carried forward)	(1,359,689)	(2,503,826)

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1.13	Total operating and investing cash flows (brought forward)	(1,359,689)	(2,503,826)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,047,028	3,225,844
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	2,047,028	3,225,844
	Net increase (decrease) in cash held	687,339	722,018
1.20	Cash at beginning of quarter/year to date	1,522,493	1,489,378
1.21	Exchange rate adjustments to item 1.20	2,971	1,407
1.22	Cash at end of quarter	2,212,803	2,212,803

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	133,315
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 (\$9,000), the salary and superannuation paid to the Managing Director (\$48,662), non-executive director fees (\$28,898) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$46,755).

Item 1.14 relates to the final receipt of funds from the fully underwritten non-renounceable entitlement issue.

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

Nil

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

In April 2010, Lione town entered into a joint venture agreement with Ramelius Resources Limited, under which Ramelius has the right to earn up to a 60% interest in the Mt Windsor Project by spending \$7 million over 4 years. Since April 2010, Ramelius have spent approximately \$6.4 million and approximately \$1.1 million was spent from October to December 2012.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	574,000
4.2 Development	-
4.3 Production	-
4.4 Administration	197,000
Total	771,000

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	607,950	1,522,493
5.2 Deposits at call	1,604,853	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,212,803	1,522,493

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginni ng of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	QLD:			
	EPM15192	Owned	100%	0%
	EPM18690	Owned	100%	0%
	EPM18231	Owned	100%	0%
	EPM18233	Owned	100%	0%
	EPM18235	Owned	100%	0%
	EPM18774	Owned	100%	0%

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6.2 Interests in mining tenements acquired or increased	Tanzania:			
	Jubilee Reef JV:			
	PL4495/2007	Joint Venture Interest	51%	63%
	PL6168/2009	Joint Venture Interest	51%	63%
	PL8125/2012	Joint Venture Interest	51%	63%

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)				
7.2 Changes during quarter				
(a) Increases through issues	Nil	Nil	N/A	N/A
(b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	N/A	N/A
7.3 +Ordinary securities	391,789,575	391,789,575	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	97,947,394	97,947,394	\$0.035	3,428,159
(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) Listed options	32,649,131	Nil	Exercise price \$0.05	Expiry date 27 September 2015

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Unlisted options				<i>Exercise price</i>	<i>Expiry date</i>
		500,000	Nil	\$0.20	31 July 2013
		3,000,000	Nil	\$0.20	2 December 2013
		3,000,000	Nil	\$0.10	1 May 2013
		1,150,000	Nil	\$0.20	1 November 2013
7.8	Issued during quarter	32,649,131	Nil	0.05	27 September 2015
7.9	Exercised during quarter	Nil	Nil	N/A	N/A
7.10	Expired during quarter	3,000,000	Nil	\$0.35	1 December 2012
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 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:



Date: 25 January 2012

(Joint company secretary)

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.

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- 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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