

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 June 2014

Consolidated statement of cash flows

	Current quarter \$A	Year to date (12 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(565,392)	(1,057,726)
(b) development	-	-
(c) production	-	-
(d) administration	(112,680)	(451,660)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	145	5,290
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	(677,927)	(1,504,096)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7,059)	(37,966)
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	(7,059)	(37,966)
1.13 Total operating and investing cash flows (carried forward)	(684,986)	(1,542,062)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(684,986)	(1,542,062)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,380,139	1,378,406
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	1,380,139	1,378,406
	Net increase (decrease) in cash held	695,153	(163,656)
1.20	Cash at beginning of quarter/year to date	350,159	1,203,544
1.21	Exchange rate adjustments to item 1.20	(68,577)	(63,153)
1.22	Cash at end of quarter	976,735	976,735

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	86,026
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(a) includes initial fees for the Ibagá option agreements of \$152,497.

Item 1.23 consists of salary and superannuation paid to the Managing Director (\$57,223), non-executive director fees and superannuation (\$1,803) and service charges paid to Chalice Gold Mines Ltd (a director related entity) for the provision of corporate services, office rent and technical personnel (\$27,000).

Apart from compulsory superannuation contributions, current non-executive directors did not receive directors' fees during the quarter.

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

Nil

+ See chapter 19 for defined terms.

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

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	480,000
4.2 Development	-
4.3 Production	-
4.4 Administration	100,000
Total	580,000

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	476,735	350,159
5.2 Deposits at call	500,000	
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	976,735	350,159

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	N/A		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	Jubilee Reef PL 9797/2014 HQ-P26475	Granted	0%	100%
		Granted	0%	100%
	Ibaga - PML002041CZ to PML002050CZ Ibaga North- PML002247CZ to PML002260CZ	The interest in Ibaga and Ibaga North are independent of each other and come through an agreement it has with a Tanzanian incorporated entity.	0%	0% - option to acquire 100%

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	446,161,370	446,161,370	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	50,010,000	50,010,000	0.03 N/A	\$1,500,300
(b) Decreases through returns of capital, buy-backs	Nil	Nil		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)				

+ See chapter 19 for defined terms.

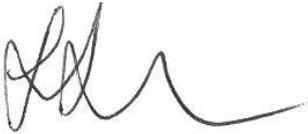
Appendix 5B
Mining exploration entity quarterly report

	Listed options	32,649,048	Nil	<i>Exercise price</i> \$0.05	<i>Expiry date</i> 27 September 2015
	Unlisted options			<i>Exercise price</i>	<i>Expiry date</i>
		2,000,000	Nil	\$0.01727	30 November 2016
		2,000,000	Nil	\$0.02302	30 November 2016
		1,850,000	Nil	\$0.05000	30 June 2017
7.8	Issued during quarter	1,850,000	Nil	\$0.05	30 June 2017
7.9	Exercised during quarter	Nil	Nil	N/A	N/A
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	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:


 (Joint company secretary)

Date: 30 July 2014

Print name: Leanne Stevens

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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

- 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.

+ See chapter 19 for defined terms.