

Highlights

Mount Windsor Joint Venture Project (North Queensland)

- Initial \$1M gold exploration program commenced by Ramelius Resources under the recently concluded \$7M farm-in joint venture.
- Planning and preparations completed for IP surveys over a number of prospects where extensive pathfinder geochemical anomalies have been defined.

Burdekin Project (North Queensland)

- Liontown's strategic footprint in the Charters Towers goldfield expanded with the acquisition of a prospective 58 km² tenement from Newmont Exploration Pty Ltd.
- Acquisition consolidates the newly established +1,000 km² Burdekin Project area, which is considered highly prospective for low-sulphidation epithermal gold mineralisation and related breccia systems.
- +150m long, undrilled, gold-silver mineralised trend defined at Quartz Ridge prospect with additional geophysical surveys planned to define extent of the zone prior to drill testing.

Regional (North Queensland)

- Liontown's land position at Charters Towers increased to ~5,000km² as a result of project generation work making it the largest tenement holder in this world-class gold province.

1.0 Overview

During the Quarter, a major \$1 million field program commenced at the Mt Windsor Project (MWJVP) under the recently concluded joint venture with Ramelius Resources. Initial drilling was undertaken at the G5 target and preparations were completed to conduct IP surveys over a number of other priority gold prospects. Exploration is targeting large-scale breccia hosted and low sulphidation epithermal gold systems similar to those already discovered and mined in the region.

The Company has identified North Queensland as being highly prospective and believes it has a competitive advantage due to its established position in the region. This has resulted in acquisition of the 100% owned Burdekin Project, where a number of gold targets have been defined for immediate follow up.

In North Queensland, Liontown's granted and exclusive EPM applications cover approximately 5,000km² making it the largest tenement holder in the region.

2.0 Mount Windsor Joint Venture Project (Liontown 100%, Ramelius earning 60%)

The Mount Windsor Joint Venture Project comprises an extensive tenement package located in the prolific Charters Towers gold field of North Queensland (see Figure 1) which has yielded over 15 million ounces of gold from world-class mines such as Charters Towers (+6Moz), Kidston (+4Moz), Pajingo (+3Moz), Ravenswood (+2Moz) and Mt Leyshon (2.7Moz). 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 assumed management of the Mt Windsor Joint Venture Project (MWJVP) during the Quarter and commenced a major exploration program. Activities undertaken during the Quarter included:

- Drill testing of the G5 target (Figure 1), which was identified by previous work by Liontown;
- Planning and preparing for Induced Polarisation (IP) surveys at the G14, G20 and G22 targets (Figure 1) where work by Liontown had defined extensive pathfinder geochemical anomalies. The IP surveys commenced subsequent to the end of the Quarter and should be completed by mid August;
- Reviewing other targets (Figure 1) defined by Liontown and planning of follow-up work and;
- Establishing a permanently manned base in Charters Towers.

Target G-5

Four RC percussion holes for a total of 954 metres were drilled at the G5 target. The drilling tested an IP anomaly which had been defined over an area of 600 metres by 300 metre, 100 to 200 metres immediately below mineralised vein float (up to 3.6g/t Au, 701g/t Ag, 0.4% As and 2.1% Pb).

No significant intersections were recorded by the drilling and the cause of the IP anomaly was not explained. While the data requires further review, no further field work is planned at the prospect.

3.0 Burdekin Project (Liontown 100%)

The Burdekin Project is located in North Queensland and is considered prospective for a number of different styles of gold deposits similar to those found elsewhere in the region at Pajingo, Mt Leyshon, Mt Wright and Mt Carlton.

The Burdekin Project is a newly established, 100% owned project located in North Queensland approximately 150 kilometres south-southeast of Townsville and 40 kilometres east of the MWJVP (Figure 2). The Project consists of 5 EPMS covering an area of ~1,100km² including four 100% owned Liontown applications (EPMS 18269-18271, 18690) and the granted EPM14762, which was recently acquired from Newmont Exploration Pty Ltd in return for a 2% NSR on future mine production.

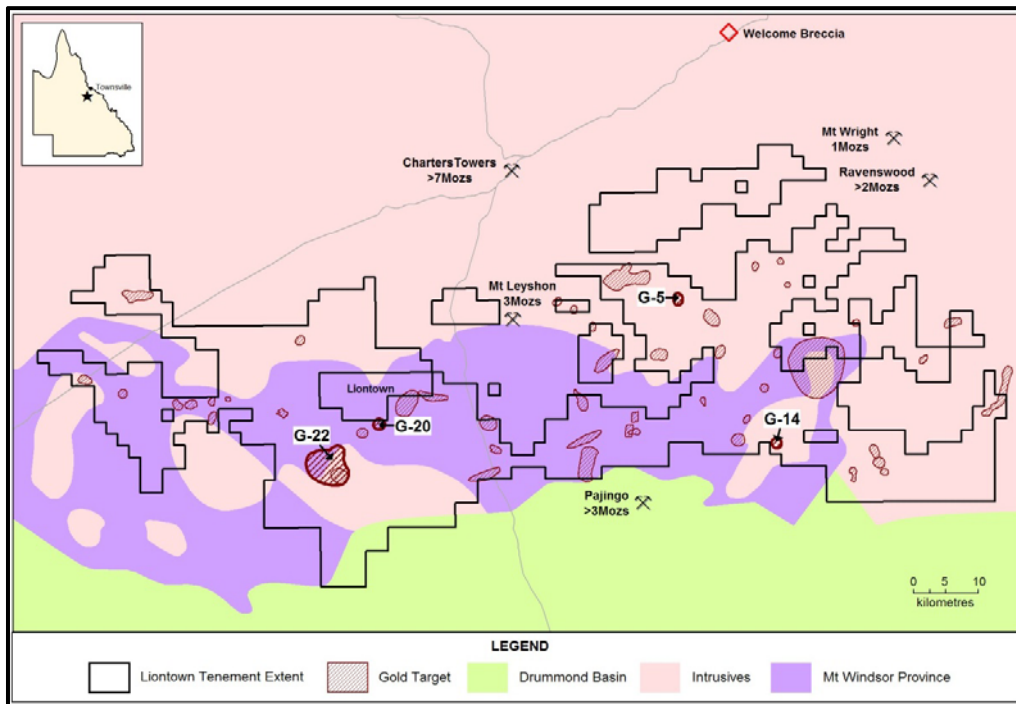


Figure 1: Mt Windsor Gold Project - Regional Geology and Gold Targets

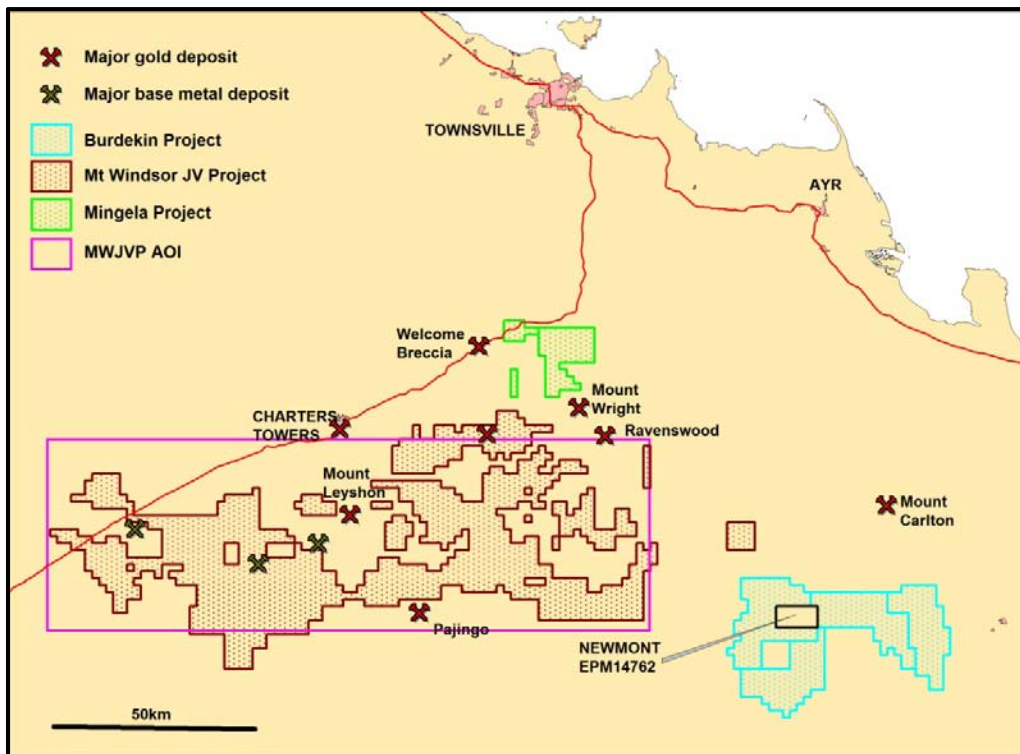


Figure 2: Lontown tenure in North Queensland.

The Burdekin Project covers the southern strike extension of the NW striking Ravenswood-Mt Wright-Welcome Breccia trend and a NE trending structural zone which includes the Mt Carlton gold deposit (Figure 2). Previous exploration has identified the Quartz Ridge prospect and a number of other areas which will be the focus of initial exploration by Liontown.

At Quartz Ridge, a 150 metre long, northeast trending zone of low-sulphidation epithermal quartz veining has been defined with multiple rock chip samples returning plus 1g/t gold values (up to 9.5g/t) and strongly anomalous silver (up to 201g/t). This zone, which is open along strike and coincident with a northeast trending fault, has not been effectively tested by previous drilling.

Two other prospects (Sinter and NW Sinter) are located west of Quartz Ridge and have textural and geochemical characteristics typical of the upper parts of epithermal vein systems. The sinters are associated with weak to moderate gold, silver and antimony anomalism and have not yet been tested by drilling.

Follow-up work including additional geophysics is planned to commence on these prospects, which are located on EPM14672, during the September quarter.

Previous regional stream sampling has also identified several areas of extensive alteration and coincident strongly anomalous silver on the pending EPM applications. These areas have received no detailed follow up by past explorers and Liontown will undertake infill sampling once the tenements are granted (probably late 2010).

4.0 Fort Constantine South (Liontown 100%)

The Fort Constantine South Project is located in the Mt Isa region of western Queensland and is subject to a Farm-in Agreement with Exco Resources Limited, which is exploring for IOCG mineralisation similar to the nearby Ernest Henry deposit.

No activity was reported during the Quarter.

4.0 Sheep Mountain Copper-Molybdenum Project (Liontown option to acquire 100%)

Sheep Mountain is a large scale copper-molybdenum project located in a world-class copper province in Arizona, USA. The Project contains an Inferred Resource of 40.3Mt @ 1.4% copper and 0.04% molybdenum above a cut-off grade of 0.8% copper equivalent.

No activity was reported during the Quarter.

5.0 Corporate

Please refer to the attached Form 5B for details of cash flow for the Quarter ended 30 June 2010.

DAVID RICHARDS
Managing Director

23 July 2010

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 and context in which it appears here.

The resource estimation quoted herein for the Sheep Mountain Project has been carried out by Denver, Colorado based Geological Consultant, William F Tanaka. Mr Tanaka is a Member of the Australasian Institute of Mining and Metallurgy and has extensive experience in the area of porphyry copper deposits from both a consulting and operational perspective. As such he is qualified to be considered a Competent Person as defined in the December 2004 edition of the JORC Code. Mr Tanaka consents to the release of the information in the