



CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING

25 NOVEMBER 2010

Substantial progress was made during 2010 in targeting highly prospective gold prospects on our existing Mount Windsor Project and the acquisition of new prospects in Northern Queensland. Along with these new initiatives, the balance sheet and management capability have both been strengthened.

In May, the Company appointed experienced geologist David Richards as Managing Director. David has extensive technical and corporate experience with major mining companies. On behalf of the Board, I would like to thank Doug Jones for his previous efforts as Managing Director. We are delighted that Doug has agreed to remain on the Board as a Non-executive Director where we can access his vast experience.

During the period, the Company sold the Liontown base metal deposit to Kagara Limited which has so far netted the Company \$2.7 million with a further deferred payment of \$2.25 million due on a decision to mine by Kagara.

Following the sale of the Liontown deposit, we have continued to make excellent progress in delineating new gold targets at the Company's Mount Windsor Project in North Queensland. To fund this exploration we have entered into a joint venture agreement with Ramelius Resources whereby Ramelius can earn a 60% equity in the project by spending \$7 million over four years. Importantly, there is a minimum spend of \$1.25 million, with a further commitment of \$1 million if certain exploration licenses are granted by 30 June 2011. If the granting of the licences occurs, which is likely, this will ensure that priority targets can be adequately tested before Ramelius has the right to withdraw.

Upon completing the Mount Windsor Joint Venture agreement, deep penetration IP was immediately undertaken and drilling is currently underway on a number of priority targets. Whilst early days, we have drilled what appears to be altered and mineralised systems; however further exploration will be required to access the full potential of these targets.

In addition to the Mount Windsor Project, we have enhanced our North Queensland gold portfolio with the addition of the 100% owned Panhandle Project which is located in the same region and only 20km to the southwest of the Mt Carlton gold-silver deposit (1.5Moz gold, 40 Moz silver) owned by Conquest Mining Ltd.

With a high quality exploration portfolio in place, we are now turning our attention to finding and identifying new assets and growth opportunities in Australia and overseas.

Liontown's Managing Director, Dave Richards will provide a short presentation at the conclusion of the formal meeting.