

ASX Announcement

LIONTOWN AWARDED GOVERNMENT DRILLING GRANT FOR PANHANDLE SILVER/GOLD PROJECT

Liontown Resources Limited (ASX:LTR) is pleased to advise that it has been successful in qualifying for a drilling grant under the Queensland Government's Greenfields 2020 - Collaborative Drilling Initiative (CDI).

The \$156,250 grant will be used towards a 3 drill hole program to test targets defined at the Powerline and Quartz Ridge prospects on Liontown's wholly owned Panhandle Project in North Queensland (Figure 1).

At Powerline, exploration by Liontown has defined a **7.5km long, north-south trending silver-in-soil anomaly (250 - 2,940ppb)** coincident with a faulted contact between volcanic units (Figure 2).

Recent and historic rock chip sampling along a 1km section of the fault zone (see Appendix 1) has recorded **plus 50g/t silver values (up to 350g/t)** over a 500m strike length with associated elevated gold (up to 1.04g/t) and pathfinder elements including lead (3.8%), antimony (up to 850ppm) and mercury (up to 2.5ppm). The anomalous trend has not previously been drill tested.

Liontown's exploration model at Powerline is for blind, flat lying mineralisation occurring within or marginal to the Powerline fault zone analogous to the flat lying V2 and Silver Hills deposits at Conquest's Mt Carlton Project which is located approximately 40km to the northeast (Figure 1).

At Quartz Ridge, float sampling (see Appendix 2) has defined a **150m long zone (Beta Zone) of anomalous gold (>5g/t) and silver (>50g/t)** (Figure 3). The source of this material has not yet been located however, an Induced Polarisation (IP) survey completed in 2010 has defined a possible alteration zone 100- 150m vertically below the anomalous float samples (Figure 4) which will be tested by the proposed drilling.

The CDI funding is designed to encourage testing of new greenfield targets and concepts and Liontown's successful application is a positive acknowledgement of the technical merit of the Company's exploration strategy. The proposed drilling program is scheduled for mid 2011.

DAVID RICHARDS
Managing Director
2 May 2011

Investment Highlights

- Large land position (>5,000km²) in North Queensland precious metals province
- Extensive silver anomalies to be followed up on wholly owned tenure in 2011
- Advanced gold targets in northern Tanzania



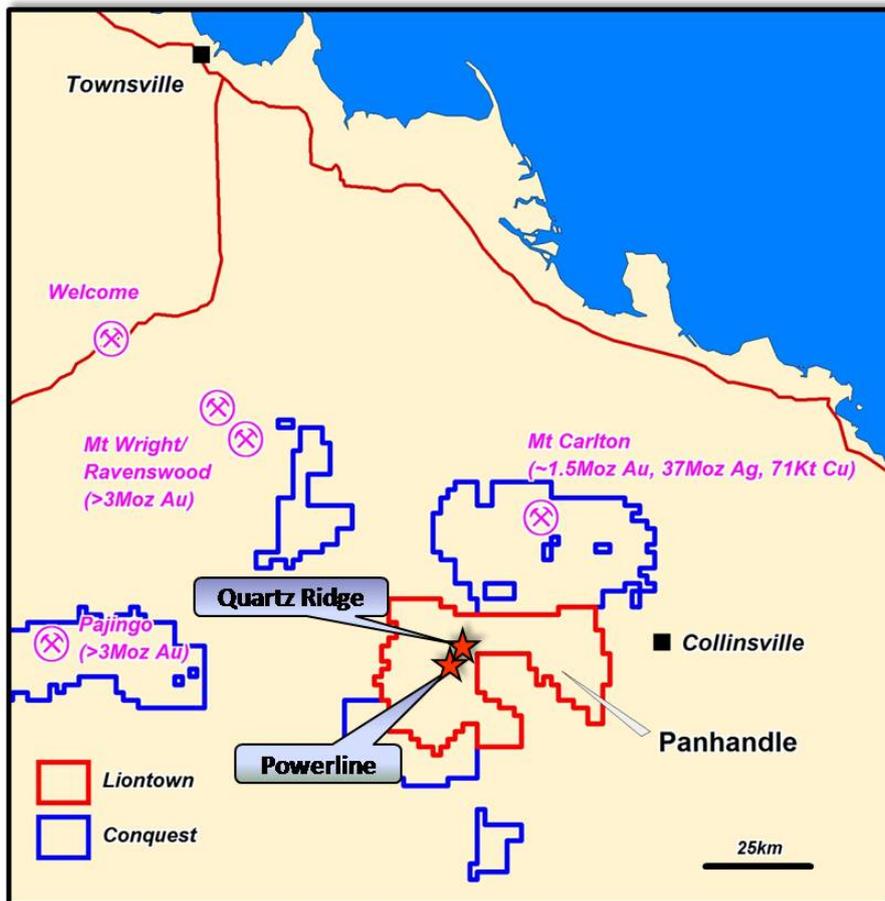


Figure 1: Panhandle Project – Location Plan

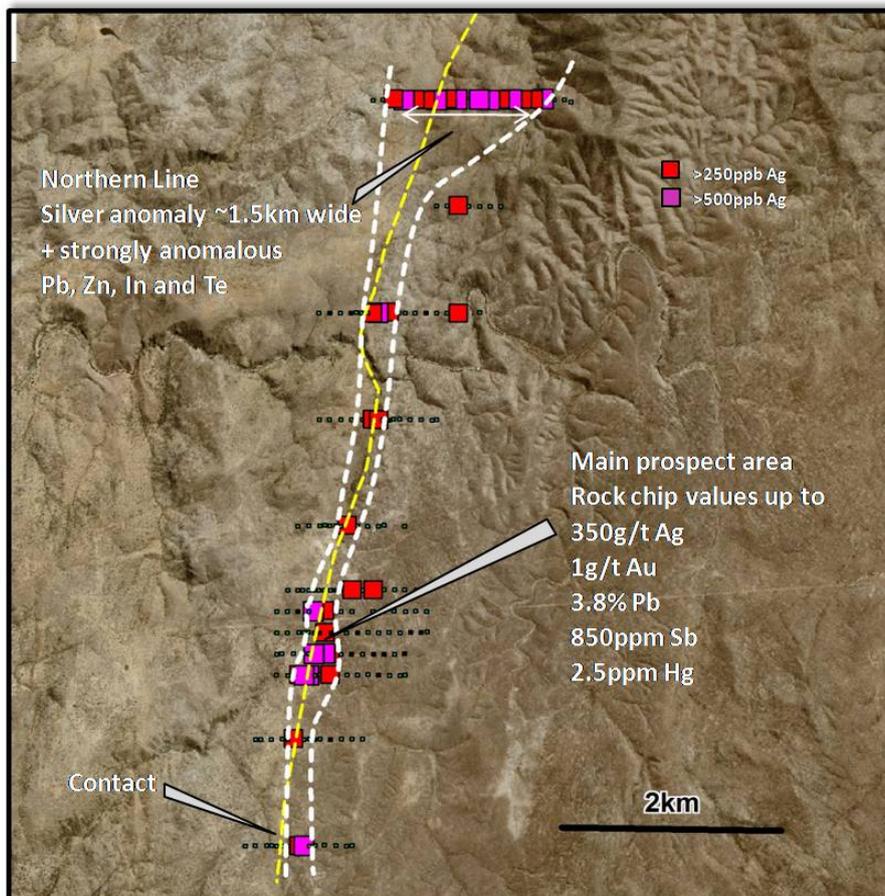


Figure 2: Powerline Trend – Silver-in-soil anomaly

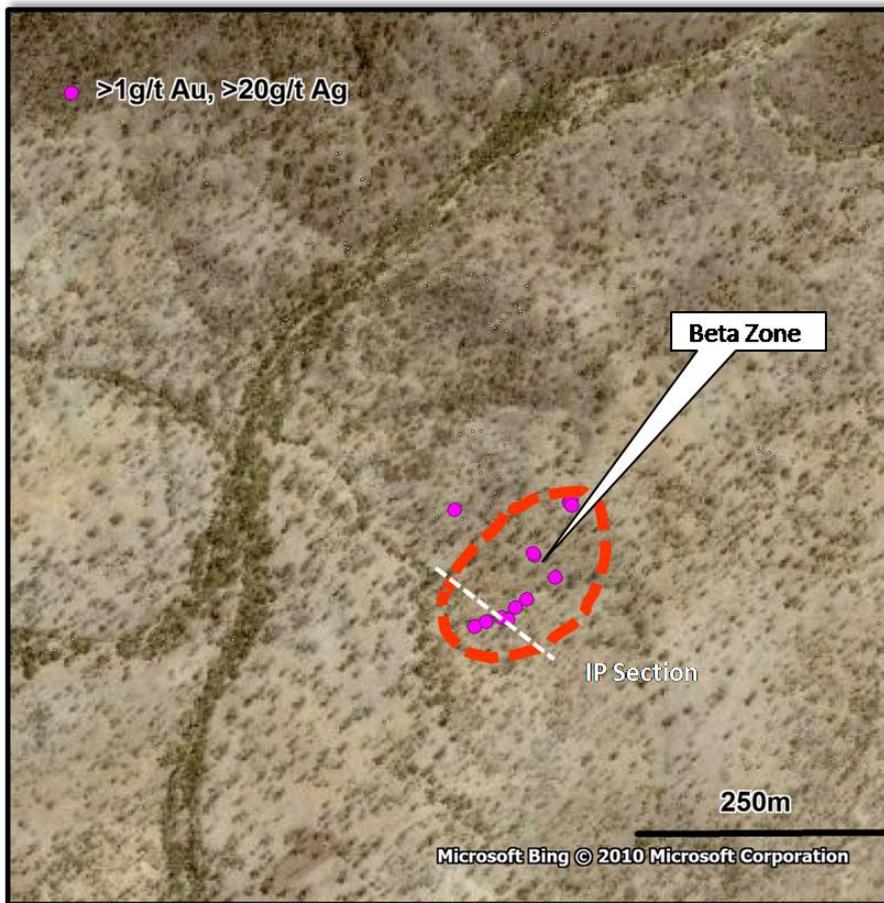


Figure 3: Quartz Ridge Prospect - Anomalous rock chip samples

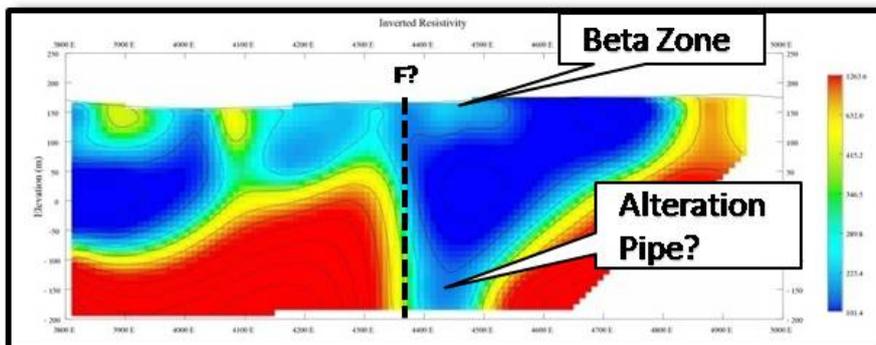


Figure 4: Quartz Ridge Prospect - IP section showing possible alteration zone 100 - 150m beneath mineralised float samples

Appendix 1: Powerline Trend - Rock Chip Sample Results

Easting	Northing	Grid	Company	Year	Ag_ppm	Au_ppm	Pb_ppm	As_ppm	Sb_ppm	Hg_ppm
532043	7717336	MGA_94	Liontown	2010	171	0.01	3900	762	30	0.14
532017	7717234	MGA_94	Liontown	2010	66.2	0.13	6050	11350	71.2	0.30
532018	7717235	MGA_94	Liontown	2010	4.29	0.00	1990	379	11.9	0.02
532030	7717206	MGA_94	Liontown	2010	57.3	0.12	11750	8330	50.2	0.34
532050	7716872	MGA_94	Liontown	2010	171	0.11	1170	953	94.6	0.30
532030	7716800	MGA_94	Liontown	2010	2.8	0.01	317	293	3.76	0.01
532020	7717045	MGA_94	Liontown	2010	87.8	0.13	22500	8380	136	0.99
531796	7716706	MGA_94	Liontown	2010	0.06	0.00	30	1.9	0.28	0.01
531989	7716727	MGA_94	Liontown	2010	0.07	0.01	22.1	5.1	0.35	0.01
531766	7716883	MGA_94	Liontown	2010	0.09	0.00	15.8	1.5	0.18	0.01
531913	7716893	MGA_94	Liontown	2010	0.1	0.00	24.5	2.8	0.42	-0.01
532128	7716910	MGA_94	Liontown	2010	0.24	0.00	239	7.7	0.67	0.01
532123	7716924	MGA_94	Liontown	2010	0.39	0.00	56.6	30.4	5.32	0.02
532201	7717102	MGA_94	Liontown	2010	0.19	0.00	76.2	7.8	2.53	-0.01
532182	7717105	MGA_94	Liontown	2010	9.29	0.00	323	35.7	1.28	0.04
531996	7717091	MGA_94	Liontown	2010	0.45	0.00	150	5.2	0.39	-0.01
531811	7717073	MGA_94	Liontown	2010	0.11	0.01	30.3	3.7	0.65	0.01
531880	7717361	MGA_94	Liontown	2010	0.12	0.00	34.8	4.7	0.62	-0.01
532022	7717335	MGA_94	Liontown	2010	0.3	0.00	71.7	1.3	0.49	0.01
532097	7717307	MGA_94	Liontown	2010	0.06	0.00	24.4	3.9	0.41	0.01
532055	7717355	MGA_94	Liontown	2010	1.83	0.00	2230	43.9	8.19	0.06
532053	7717368	MGA_94	Liontown	2010	24.4	0.01	1065	134	12	0.32
532001	7717470	MGA_94	Liontown	2010	0.24	0.00	24.9	3	0.53	0.01
531824	7717538	MGA_94	Liontown	2010	0.08	0.00	55.5	1.7	0.3	-0.01
532093	7717490	MGA_94	Liontown	2010	0.15	0.00	30.1	4.6	0.64	0.01
532038	7717516	MGA_94	Liontown	2010	0.12	0.00	21.3	2.3	0.58	0.02
532032	7717519	MGA_94	Liontown	2010	0.04	0.00	27.2	2.6	0.55	-0.01
532221	7717494	MGA_94	Liontown	2010	0.06	0.00	21.2	1.6	0.46	-0.01
531973	7716619	MGA_94	Liontown	2010	1.13	0.00	277	37.3	3.6	0.01
531966	7716595	MGA_94	Liontown	2010	20.4	0.01	127.5	11.5	0.81	0.03
531935	7716478	MGA_94	Liontown	2010	13.6	0.00	204	90	2.02	0.01
531949	7716492	MGA_94	Liontown	2010	0.33	0.00	96.1	2.4	0.19	-0.01
532110	7717122	MGA_94	Liontown	2010	0.19	0.00	67.7	16	0.97	0.01
531970	7717168	AGD_66	ACM	1991	23	0.03	9500	382	12	0.00
532045	7717091	AGD_66	ACM	1991	15	0.03	6600	4090	14	0.17
532044	7717027	AGD_66	ACM	1991	9	0.04	3640	1100	28	0.19
532023	7716942	AGD_66	ACM	1991	32	0.33	37300	20190	167	0.27
532025	7716874	AGD_66	ACM	1991	167	1.04	37600	16700	850	2.50
532018	7716818	AGD_66	ACM	1991	49	0.09	14600	9600	80	0.64
532024	7716729	AGD_66	ACM	1991	291	0.18	29000	15800	340	1.50
532021	7716645	AGD_66	ACM	1991	43	0.14	13700	14000	145	1.01
532019	7716566	AGD_66	ACM	1991	18	0.01	1210	1180	5	0.07
531893	7717036	AGD_66	ACM	1991	14	0.06	No assay	7870	40	No assay
531708	7717036	AGD_66	BMA	1995	-0.5	No assay	29	12	-5	No assay
531707	7717037	AGD_66	BMA	1995	0.7	No assay	29	13	-5	No assay
531707	7717037	AGD_66	BMA	1995	1.6	No assay	46	14	-5	No assay
531800	7717031	AGD_66	BMA	1995	-0.5	No assay	27	-5	-5	No assay
531800	7717031	AGD_66	BMA	1995	350	No assay	29	18	18	No assay
532008	7716958	AGD_66	BMA	1995	23.1	No assay	7800	1400	261	No assay
532195	7717072	AGD_66	BMA	1995	10.8	No assay	489	255	-5	No assay

Appendix 2: Quartz Ridge Prospect - Rock Chip Sample Results

Eastings	Northing	Grid	Company	Year	Ag_ppm	Au_ppm	Pb_ppm	As_ppm	Sb_ppm	Hg_ppm
537455	7727421	MGA_94	Liontown	2010	63	3.39	10.5	5.3	4.3	0.01
537446	7727373	MGA_94	Liontown	2010	1	0.03	12.3	6.6	4.5	-0.01
537350	7727359	MGA_94	Liontown	2010	0	0.00	17.6	4.4	0.62	0.01
537359	7727458	MGA_94	Newmont	2007	0	-0.01	5	12	3.9	-0.10
537407	7727578	MGA_94	Newmont	2007	22	-0.01	3	2	9.2	-0.10
537377	7727465	MGA_94	Newmont	2007	28	2.42	5	5	4	-0.10
537413	7727519	MGA_94	Newmont	2007	0	-0.01	4	3	4.1	-0.10
537426	7727530	MGA_94	Newmont	2007	9	0.04	3	3	5	-0.10
537517	7727554	MGA_94	Newmont	2007	3	0.07	36	6	5.5	0.20
537419	7727498	MGA_94	Newmont	2007	0	-0.01	3	2	5.9	0.10
537417	7727482	MGA_94	Newmont	2007	1	-0.01	4	2	3.5	-0.10
537500	7727478	MGA_94	Newmont	2007	1	-0.01	9	7	8	0.20
537384	7727456	MGA_94	Newmont	2007	0	0.01	9	11	5.4	-0.10
537379	7727484	MGA_94	Newmont	2007	5	-0.01	4	4	4.6	-0.10
537392	7727492	MGA_94	Newmont	2007	0	0.01	2	2	5.1	-0.10
537403	7727502	MGA_94	Newmont	2007	14	-0.01	2	2	3.3	-0.10
537375	7727502	MGA_94	Newmont	2007	1	0.02	2	-1	4.8	-0.10
537385	7727510	MGA_94	Newmont	2007	0	-0.01	1	2	2.7	-0.10
537399	7727514	MGA_94	Newmont	2007	1	-0.01	4	2	2.3	-0.10
537392	7727527	MGA_94	Newmont	2007	0	-0.01	2	2	2.5	-0.10
537382	7727541	MGA_94	Newmont	2007	0	-0.01	2	5	2.5	-0.10
537404	7727375	MGA_94	Newmont	2007	8	0.16	3	1	4.8	-0.10
537408	7727353	MGA_94	Newmont	2007	161	9.52	6	3	2.6	-0.10
537498.3	7727474	MGA_94	Newmont	2007	2	0.06	17	4	3.2	-0.10
537496.2	7727474	MGA_94	Newmont	2007	20	0.63	8	3	1.8	-0.10
537491.2	7727472	MGA_94	Newmont	2007	95	1.91	9	2	1.3	-0.10
537490.2	7727475	MGA_94	Newmont	2007	24	0.37	3	1	2.2	-0.10
537486.2	7727479	MGA_94	Newmont	2007	29	0.19	9	2	1.5	-0.10
537487.2	7727480	MGA_94	Newmont	2007	16	0.12	14	1	1.6	-0.10
537493.2	7727474	MGA_94	Newmont	2007	62	1.58	31	1	3.1	-0.10
537494.2	7727469	MGA_94	Newmont	2007	43	1.84	4	1	1.3	-0.10
537451.2	7727455	MGA_94	Newmont	2007	16	0.26	6	2	2.1	-0.10
537450.2	7727436	MGA_94	Newmont	2007	12	0.14	36	2	2.8	-0.10
537456.2	7727419	MGA_94	Newmont	2007	201	9.54	7	1	17	-0.10
537477.2	7727397	MGA_94	Newmont	2007	96	5.70	4	-1	0.6	-0.10
537454.2	7727383	MGA_94	Newmont	2007	10	0.28	4	2	13.9	-0.10
537448.2	7727375	MGA_94	Newmont	2007	42	7.22	3	2	43	-0.10
537437.2	7727367	MGA_94	Newmont	2007	14	1.54	2	2	14.6	-0.10
537423.3	7727357	MGA_94	Newmont	2007	36	1.74	-1	2	19	-0.10
537430.2	7727355	MGA_94	Newmont	2007	20	2.21	2	2	18.1	-0.10
537396.2	7727348	MGA_94	Newmont	2007	35	1.96	2	2	15.6	-0.10
537498.8	7727603	MGA_94	Newmont	2007	0	0.00	0	9	0	0.00
537413.6	7727471	MGA_94	ACM	1991	-1	-0.01	0	-2	-2	0.04
537528.2	7727459	MGA_94	ACM	1991	-1	0.01	10	3	-2	0.01
537430.4	7727536	MGA_94	ACM	1991	-1	0.07	-5	6	-2	-0.01
537445	7727507	MGA_94	ACM	1991	-1	0.01	-5	-2	-2	-0.01
537474.1	7727466	MGA_94	ACM	1991	-1	0.02	-5	-2	-2	-0.01
537397.1	7727555	MGA_94	BMA	1995	48	0.16	4	105	20	2.00
537395	7727544	MGA_94	BMA	1995	12	0.00	2	32	5	0.90
537403.3	7727544	MGA_94	BMA	1995	1	0.00	2	7.4	1.1	-0.50
537501	7727396	MGA_94	BMA	1995	0	0.00	-1	2.4	0.5	-0.50

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.