

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

LIONTOWN RESOURCES LIMITED

ABN

39 118 153 825

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares and listed options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A maximum of 97,947,394 fully paid ordinary shares and a maximum of 32,649,131 listed options. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares and listed options with an exercise price of 5 cents and will expire on the third anniversary date of issue. |

+ See chapter 19 for defined terms.

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares rank equally with existing fully paid ordinary shares.</p>						
<p>5 Issue price or consideration</p>	<p>The ordinary shares have an issue price of 3.5 cents per share.</p> <p>The listed options will be issued for nil consideration.</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Fully underwritten pro-rata non-renounceable rights issue of 1 new share for every 3 shares held and 1 listed option for every 3 new shares subscribed.</p> <p>Funds will be applied to the Jubilee Reef project in northern Tanzania and for working capital.</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>27 September 2012</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1646 989 1691">Number</th> <th data-bbox="989 1646 1291 1691">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1691 989 1780">391,789,575</td> <td data-bbox="989 1691 1291 1780">Ordinary fully paid shares.</td> </tr> <tr> <td data-bbox="686 1780 989 1915">32,649,131</td> <td data-bbox="989 1780 1291 1915">Options</td> </tr> </tbody> </table>	Number	⁺ Class	391,789,575	Ordinary fully paid shares.	32,649,131	Options
Number	⁺ Class						
391,789,575	Ordinary fully paid shares.						
32,649,131	Options						

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Unlisted Options: \$0.35 Exp: 1/12/2012 \$0.20 Exp: 31/7/2013 \$0.20 Exp: 2/12/2013 \$0.20 Exp: 1/11/2013 \$0.10 Exp: 1/05/2013
	2,000,000	
	500,000	
	3,000,000	
	1,150,000	
	3,000,000	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 new share for every 3 existing shares at the record date and 1 new listed option for every 3 new shares subscribed.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares and listed options
15	+Record date to determine entitlements	4 September 2012
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Rounded up.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Only Australian and New Zealand security holders will be sent an entitlement and acceptance form.

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19	Closing date for receipt of acceptances or renunciations	20 September 2012
20	Names of any underwriters	Bell Potter Securities Limited.
21	Amount of any underwriting fee or commission	The Company has agreed to pay the Underwriter an underwriting fee of 4% of the amount raised under the Entitlement Offer less the funds raised from the firm commitments by Eligible Shareholders.
22	Names of any brokers to the issue	Bell Potter Securities Limited.
23	Fee or commission payable to the broker to the issue	\$50,000 (exclusive of GST) management fee and an underwriting fee of approximately \$73,000.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	6 September 2012
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	21 August 2012
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
2	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	27 September 2012

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

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37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A

39 Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date 20 August 2012

Company Secretary

Print name: Leanne Forgione

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