



Clear line of sight to  
first production

Capital Raising Presentation  
19 October 2023

ASX: [LTR](#)

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# Important information

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This Presentation has been prepared in relation to a fully underwritten institutional placement (**Placement**) of new fully paid ordinary shares in Liontown (**New Shares**). Separate to the Placement, Liontown will also conduct a non-underwritten offer of New Shares to eligible Liontown shareholders under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP**, and together with the Placement, the **Offer**).

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All dollar values contained in this document are expressed in Australian dollars unless otherwise stated. Totals may vary slightly due to rounding.

Liontown prepares its financial information in accordance with the Corporations Act, Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

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# Important information

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The offer booklet for the SPP (**SPP Offer Booklet**) will be available to eligible shareholders following its lodgement with the ASX. Any eligible shareholder who wishes to participate in the SPP should consider the SPP Offer Booklet in deciding whether to apply under that offer. Any eligible shareholder who wishes to apply for New Shares under the SPP will need to apply in accordance with the instructions contained in the SPP Offer Booklet and the SPP application form. This Presentation does not constitute financial product advice and does not and will not form part of any contract for the acquisition of New Shares including under the SPP. The SPP is being conducted by, and is the sole responsibility of, Liontown. The SPP is not underwritten.

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# Important information

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## COMPETENT PERSON STATEMENT

The Information in this Presentation that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Strong progress with Kathleen Valley Definitive Feasibility Study as ongoing work identifies further key project enhancements" released on 8 April 2021 which is available on [www.lfresources.com.au](http://www.lfresources.com.au).

The Information in this Presentation that relates to Mineral Resources for the Buldania Project is extracted from the ASX announcement "Liontown announces maiden Mineral Resource Estimate for its 100%-owned Buldania Lithium Project, WA" released on the 8 November 2019 which is available on [www.lfresources.com.au](http://www.lfresources.com.au).

### Kathleen Valley Project – Mineral Resource Estimate as at April 2021

Resource category	Million tonnes	Li <sub>2</sub> O %	Ta <sub>2</sub> O <sub>5</sub> ppm
Measured	20	1.3	145
Indicated	109	1.4	130
Inferred	27	1.3	113
<b>Total</b>	<b>156</b>	<b>1.4</b>	<b>130</b>

Notes: Reported above a Li<sub>2</sub>O cut-off grade of 0.55%. Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

### Anna Deposit, Buldania Project – Mineral Resource Estimate as at October 2019

Resource category	Million tonnes	Li <sub>2</sub> O %
Measured	-	-
Indicated	9.1	1.0
Inferred	5.9	1.0
<b>Total</b>	<b>15.0</b>	<b>1.0</b>

Notes: Reported above a Li<sub>2</sub>O cut-off grade of 0.5%. Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate

Liontown confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. Liontown confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## JORC Code

It is a requirement of the ASX Listing Rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("**JORC Code**"). Investors outside Australia should note that while ore reserve and mineral resource estimates of Liontown in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this document describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that Liontown will be able to legally and economically extract them.

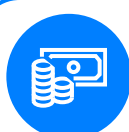
# Executive Summary

Liontown announces a fully funded solution to production and beyond comprising an approximately A\$376m equity raising and A\$760m in binding debt commitments which will refinance the A\$300m Ford facility



## Kathleen Valley Recap

- Kathleen Valley on schedule for first production mid-2024
- Average cash cost (C1) estimated to be A\$651 per SC6<sup>1</sup> tonne over initial 10-years of production<sup>2</sup>
- A\$951m estimated capital costs to first production
- Approximately 90% of this capital is already committed, construction is at least 50% complete<sup>3</sup>
- Fixed and variable rates reduce exposure to lower productivity for major contracts
- Expansion capital brought forward to develop new mining fronts, accelerating 4 Mtpa mining production by two years, and supporting early ramp up



## Funding

- Financing package announced today fully funding<sup>4</sup> Liontown to first production and beyond
- A\$376m<sup>5</sup> equity raising, structured as a fully underwritten Institutional Placement plus non-underwritten Conditional Placement
- Debt package of A\$760m<sup>6</sup> from leading commercial banks and government credit agencies on attractive commercial terms
- Ford facility to be refinanced
- Combined funding **bridges the funding gap**,<sup>7</sup> provides **balance sheet flexibility** and **excess liquidity** (including a cost overrun / working capital facility)



## Liontown Recap

- Kathleen Valley is one of the largest and highest grade hard rock lithium resources in Australia<sup>8</sup>
- US IRA compliant material for sale under binding offtake agreements with Tier 1 customers – Ford, Tesla and LG Energy Solution
- Work is underway to make Liontown operationally and business “ready”
- Buldania project early approval works commenced
- Olympio JV soil sampling programme underway
- Downstream processing strategy alliance with Sumitomo – evaluation study commenced

The project remains on schedule, with all major mining and construction contracts awarded and approximately 90% of capital has been committed

### Notes:

1. Six percent spodumene concentrate
2. Assuming production from 1 January 2025
3. As at 30 September 2023
4. Subject to risk factors, and no change to capital commitments, no delays to planned shipment, or material interest rate rises
5. Includes fully underwritten Institutional Placement of A\$365m, assumes that the Conditional Placement for 6 million shares (A\$10.8m) to Tim Goyder is approved at the AGM on 30 November 2023, and excludes proceeds from the SPP
6. This comprises a project facility, cost overrun facility and guarantee facility and, except in respect of the cost overrun facility, excludes the allowance for capitalised interest and fees
7. LTR ASX Announcement 29 September 2023 “Kathleen Valley Project Update”
8. Refer Company analysis, slide 8

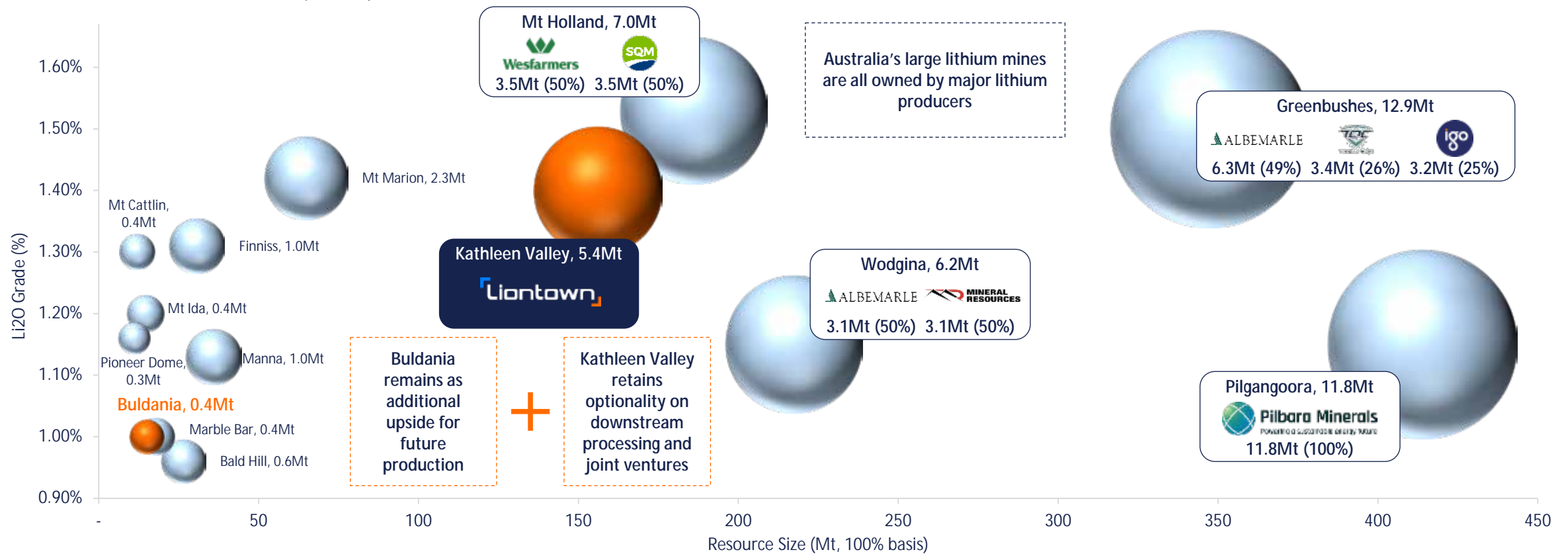
# Section 1

## Kathleen Valley Recap

# Large Scale, High Grade, Independent

Kathleen Valley is uniquely positioned as a wholly-owned, large and high-quality hard rock lithium resource in Australia, with Tier 1 offtake customers from South Korea and the United States

Australian Hard Rock Resources (Mt LCE)



Source: Company filings as at 6 October 2023, see Appendix E for resource breakdown. Bubble size represents resource size (Mt LCE) based on company-disclosed cut-off grades



# Powering to First Production

Major work fronts progressing to schedule, with clear line of sight to deliver first production in mid 2024



## Mining Operations

- ü Open pit mining commenced in January 2023
- ü Mining at Mt Mann has ended and underground early works to be completed by end of October 2023
- ü Kathleen's Corner pit will continue to supply ore for 2.5 more years
- ü Byrnescut began mobilising to site in October 2023 in preparation for underground mining with initial portal development starting in November 2023



## ESG

- ü >1 million workhours without an LTI
- ü Jones Creek Crossing completed to reduce highway interactions for our people, with full support from Tjiwarl Traditional Owners, including collaborative design and monitoring throughout
- ü Commenced a self-assessment against the IRMA-Ready Standard in exploration phase; working towards certification in development phase



## Process Plant

- ü Mill installation on schedule for completion in October 2023, a key milestone towards first production
- ü Dry Plant progressing and is more than four months ahead of overall plant commissioning requirements
- ü Wet Plant construction ramping up following completion of key areas of concrete by Jagcor and mobilisation of Monadelphous



## Renewable Power

- ü On track for more than 60 percent renewable power from start up
- ü >70 percent solar panels out of 31,000 installed, all delivered to site
- ü Wind farm foundations being poured
- ü Gas storage and engines installed



## Dragonfly Accommodation Village

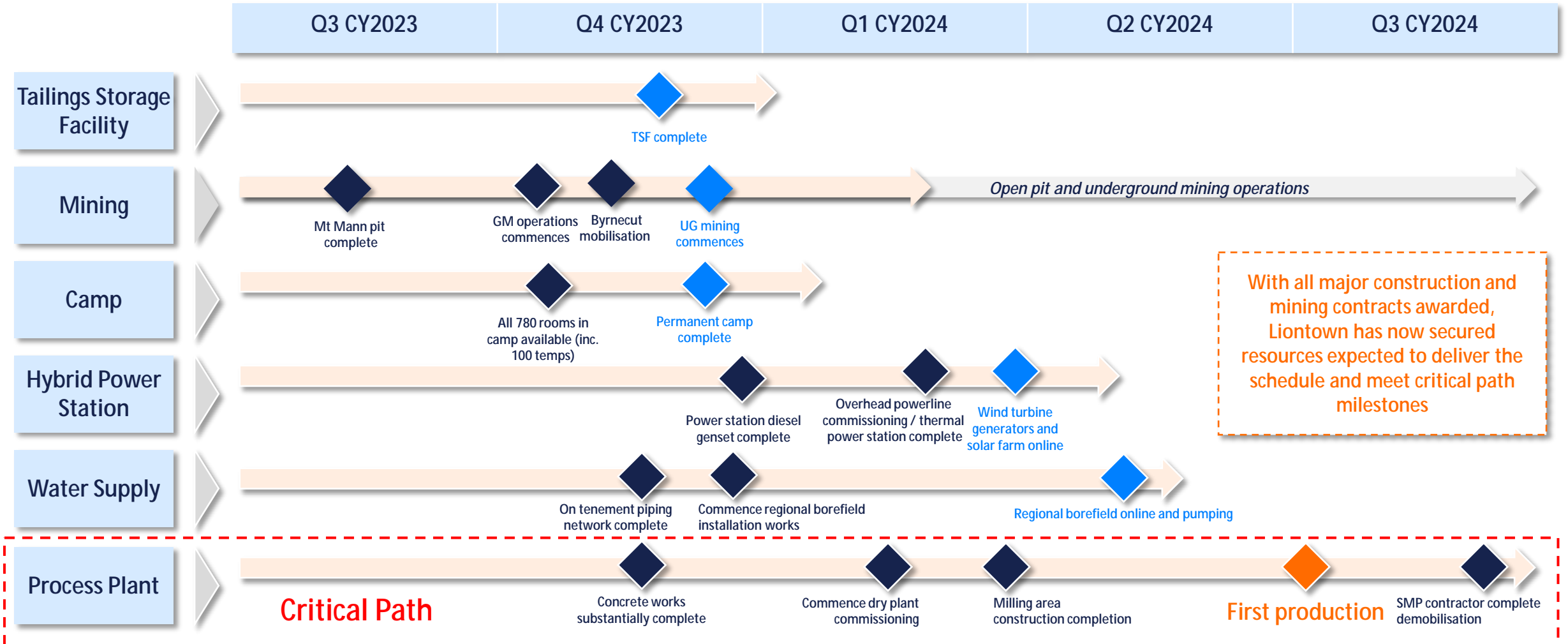
- ü 680 rooms fully commissioned and additional 100 temporary rooms available to support ramp up over peak workforce period
- ü Central services including gym, multipurpose court and training room are now operational



## People

- ü Key operational roles recently filled with highly qualified, experienced and professional people and in a tight labor market
- ü Appointments include GM Operations, Process Manager, Mechanical Lead, Mining Manager, Processing Coordinator, Processing Superintendent, Processing Supervisor, and Senior Metallurgists
- ü They join an already established mining team

# Kathleen Valley on Schedule<sup>1</sup>



Notes:  
<sup>1</sup> Illustrative purposes only. Timing is based on current estimates to complete scheduled work and remains subject to change and various conditions (including on-time delivery by counterparties and Key Risks not emerging)

# Capital Costs



Liontown has previously announced<sup>1</sup> a A\$951m Project Capital Cost estimate to first production (A\$ real basis)

## Capital Costs – Key Details

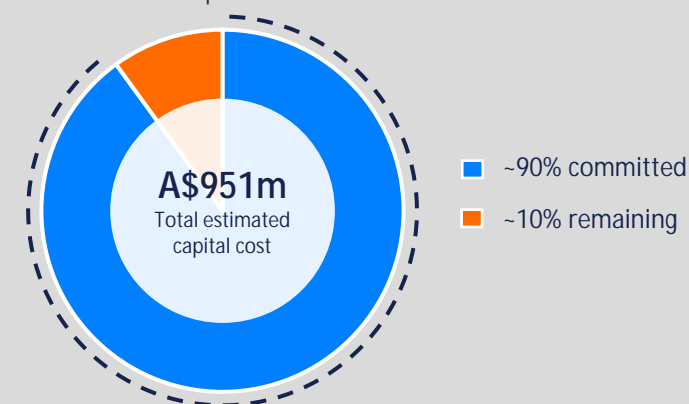
- Awarded contract rates, schedule and quantities for all major mining and process plant scopes
- Contractors financially incentivised to drive productivity through fixed and variable rates
- Multi-contractor strategy to further de-risk plant execution and maintain schedule, including scope adjustments to the Structural Mechanical Piping package
- Higher specification materials, lining and equipment are expected to reduce future maintenance requirements
- Retention of A\$25m contingency funds
- Updated A\$152m estimate for working capital and corporate costs through to the expected generation of positive net cash flows
- Inflation allowance has been included in working capital and all equipment has been purchased and is on site, and all major mining and construction contracts committed with less than 9 months expected to production
- The following are not included in the Project Capital Cost:
  - A\$26m for early mine development and acceleration of the 4 Mtpa expansion
  - A\$37m associated with building the 567 kt pre first production ROM stockpiles from the mining operations

## 90% Project Capital Costs Committed

All major mining and construction contracts committed, with remainder comprising smaller scope contracts, significantly de-risking cost and schedule to first production

### Capital Committed

As at 30 September 2023



#### Notes:

1. LTR ASX Announcement 29 September 2023 "Kathleen Valley Project Update"

# Operating Costs



The Company estimates a 10-year average cash cost (C1) of A\$651<sup>1</sup> per SC6<sup>2</sup> tonne, excluding royalties and sustaining capital

Production from 1 January 2025 <sup>3, 4</sup>		
Cost element	Unit	10-year Average
Mining	A\$/dmt SC6	449
Processing	A\$/dmt SC6	157
G&A (site processing)	A\$/dmt SC6	39
Transport and logistics	A\$/dmt SC6	89
Tantalum credit <sup>5</sup>	A\$/dmt SC6	(60)
Inventory movement	A\$/dmt SC6	(23)
<b>C1 FOB (excl. royalties and sustaining capital)</b>	<b>A\$/dmt SC6</b>	<b>651</b>

- The award of underground mining and supply chain logistics contracts,<sup>6</sup> given their significance to overall operating costs (Opex), has enabled a comprehensive review of Opex estimates
- Mining costs are the largest cost driver and converting them into 'units of mine production' results in a 10-year 'average underground mining cost' of A\$73 per dry metric tonne (dmt) of underground ore mined<sup>6</sup>
- Mining costs benchmark well against comparable underground operations of similar size and scale
- Sustaining capex estimated at A\$171/dmt over 10-year period (from 1 January 2025), including development and mining infrastructure capital costs
- Opex unit rates may be higher than the average in the ramp up period and in the first years as production increases and fixed costs are diluted

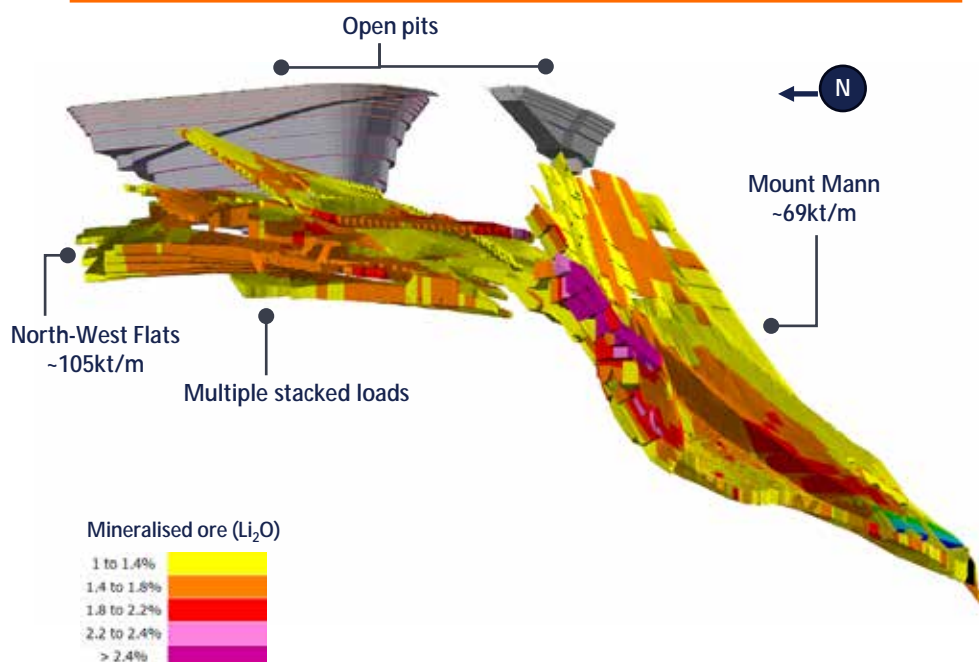
#### Notes:

1. Assuming production from 1 January 2025
2. Six percent spodumene concentrate
3. LTR ASX Announcement 29 September 2023 "Kathleen Valley Project Update"
4. Cash costs excludes sustaining capex, growth capex, exploration, royalties and corporate costs, and are based on production inventory (2) Mining excludes pre-strip and capitalised deferred waste expenditure (3) Liontown has not incorporated the impact of AASB16 into the C1 cost calculation
5. US\$84/lb weighted average price LOM
6. LTR ASX Announcement 19 July 2023 "Liontown awards Spodumene Concentrate haulage contract" and 28 September 2023 "Liontown executes Underground Mining Services contract"

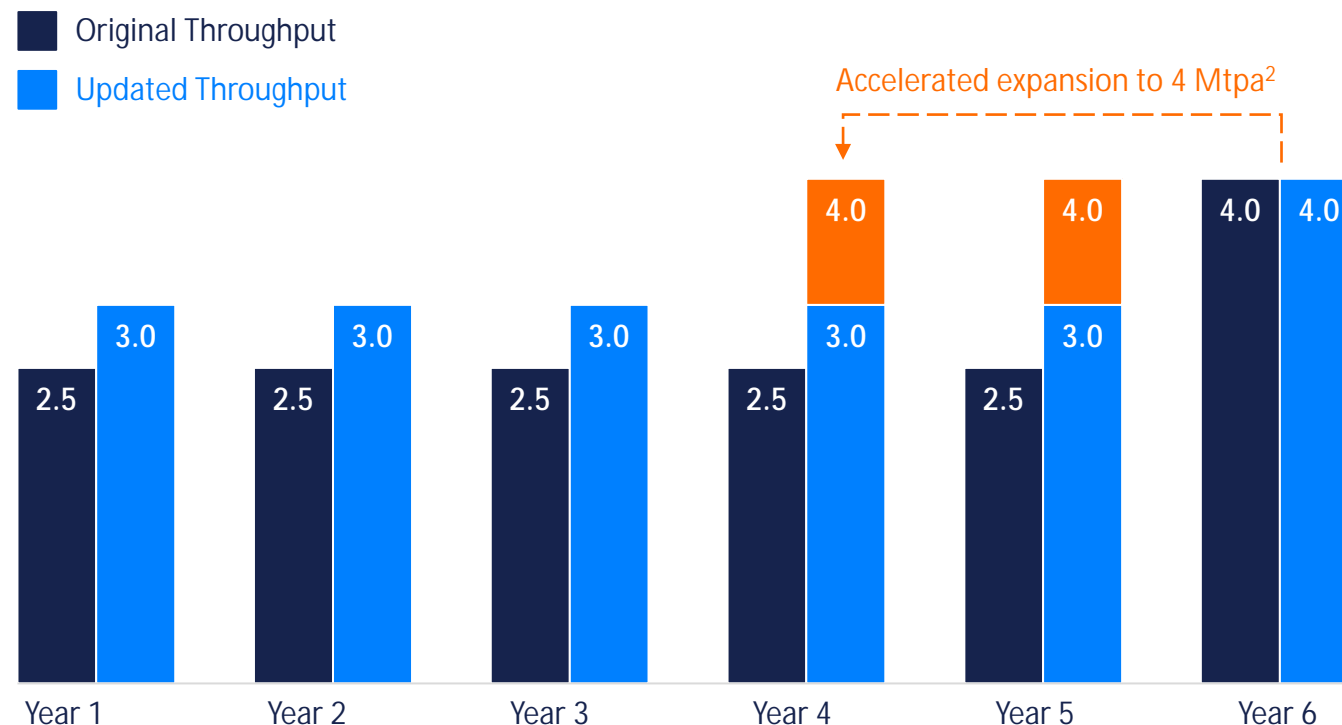
# Optimised Base Case

'Two orebodies, one mine strategy' has advanced additional mine front development in the Northwest Flats orebody, which is expected to support initial 3 Mtpa ramp up and accelerate the path to achieve 4 Mtpa in 2027, approximately two years earlier than previously anticipated<sup>1</sup>

The 4 Mtpa expansion works for the process plant will be the subject of a future decision by the Company



Kathleen Valley Plant Throughput Capacity (Mtpa)



This new optimised base case is expected to deliver additional SC6 production to market sooner

The incremental SC6 production volume will provide optionality, allowing Liontown to sell additional tonnes into the spot market, enter incremental offtake arrangements, or direct this material into a potential downstream lithium hydroxide refinery

Notes:  
 1. LTR ASX Announcement 29 September 2023 "Kathleen Valley Project Update"  
 2. Plant throughput expansion subject to Board approval

# Operational and Business Readiness



## Operational Readiness

- Key operational leadership and team positions filed across Mining, Processing and Maintenance to drive operational readiness to operate and support commissioning
- Operations system and process development well progressed leveraging latest technologies and modern ways of working to drive safety and productivity
- Total workforce ramp-up progressing to plan to ensure required talent for all roles is on-boarded and ready to operate when required



## Business Readiness

- Establishment of corporate areas required to support operations well progressed
- Key corporate leadership and team positions filed for business areas of Finance, HR, Technology, Procurement, Health and Safety, ESG, and Sales and Marketing
- Development of enterprise systems and processes that leverage latest applications is well progressed and on-track to support production ramp-up
- Corporate readiness in full swing, supported by teams of highly qualified and experienced professionals

# Section 2 Funding

# Sources and Uses of Funds

The equity raising of A\$376m, combined with the A\$760m committed debt facility now fully funds Liontown beyond first production and includes a prudent liquidity buffer to deliver a robust balance sheet

Sources of Funds	A\$m
(+) Gross proceeds from the equity raising	376 <sup>1</sup>
(+) Cash (as at 30 September 2023, unaudited)	285
(+) Undrawn Ford facility (as at 30 September 2023, unaudited)	53
(+) New debt financing package	760 <sup>2</sup>
<b>Total Sources of Funds</b>	<b>1,474</b>
Uses of Funds	A\$m
(+) Remaining construction capex at Kathleen Valley	548
(+) Contingency	25
(+) Corporate cost and working capital	152
(+) Underground acceleration costs and ROM stocks	63
<b>Total Uses of Funds at Kathleen Valley</b>	<b>788</b>
(+) Refinance of Ford Facility	308
(+) Transaction costs <sup>4</sup>	26
(+) Additional balance sheet liquidity and available cost overrun facility	352
<b>Total Uses of Funds</b>	<b>1,474</b>

- Kathleen Valley to be fully funded beyond production<sup>3</sup> following the A\$376m<sup>1</sup> equity raising, and signing of a A\$760m<sup>2</sup> commitment letter with appended credit approved term sheet with a syndicate of commercial banks and government policy lenders and credit agencies
- Proceeds of debt and equity will be used towards:
  - refinancing the Ford facility plus capitalised interest;
  - the remaining capital costs for Kathleen Valley, including early mine development for acceleration and costs associated with building the pre-production ROM stockpiles;
  - corporate costs and working capital (including capitalised interest and fees); and
  - providing prudent liquidity through to first production and beyond first production

Liontown has sized the A\$352m liquidity buffer to be prudent for a company of its size and to reflect an appropriate capital structure to build the company

#### Notes:

1. Includes fully underwritten Institutional Placement of A\$365m, assumes that the Conditional Placement for 6 million shares (A\$10.8m) to Tim Goyder is approved at the AGM on 30 November 2023, and excludes proceeds from the SPP
2. This comprises a project facility, cost overrun facility and guarantee facility and, except in respect of the cost overrun facility, excludes the allowance for capitalised interest and fees
3. Subject to risk factors, and no change to capital commitments, no delays to planned shipment, or material interest rate rises
4. Includes costs associated with the equity raising and debt funding



# Overview of debt terms



The Company is pleased to announce that it has commitments for A\$760m<sup>1</sup> of debt funding to address the projected remaining funding requirements for the Project

	ECA Facility	Commercial Lender Facility	Cost Overrun / Working Capital
<b>Borrower</b>	LRL (Aust) Pty Ltd, a wholly-owned subsidiary of Liontown Resources Limited		
<b>Lenders</b>	EFA	Commercial Lenders and CEFC	Commercial Lenders
<b>Commitment<sup>1</sup></b>	A\$200m	A\$450m	A\$110m
<b>Total Commitment (including allowance for capitalised interest)</b>	A\$220m <sup>2</sup>	A\$500m	A\$110m <sup>4</sup>
<b>Use of Proceeds</b>	Refinance the Ford Facility, finance Kathleen Valley Project Costs and to finance interest and fees and to fund the general working capital requirements of the Borrower		
<b>Maturity</b>	10 years	7 years	3 years
<b>Security</b>	Senior secured		
<b>Repayment</b>	Quarterly, straight-line	Quarterly, straight-line amortisation with bullet on maturity and customary "cash sweep" mechanism	Drawn funds at project completion to be repaid via cash sweep, thereafter revolving facility
<b>Covenants</b>	Customary covenants, representations and events of default for a secured project financing, including customary financial covenants comprising debt service coverage ratio, loan life coverage ratio and reserve tail ratio		
<b>Distributions to Parent</b>	Permitted quarterly from first repayment of loan facilities, subject to meeting covenants and other customary restrictions		
<b>Governing Law</b>	Western Australia		

- Commercial debt terms are very attractive, including an attractive margin across the Facilities above the bank bill swap rate (BBSY)
- The lending syndicate comprises leading domestic and international commercial lenders, including ANZ, CBA, HSBC, NAB, Société Générale and Westpac (together, the Commercial Lenders), as well as Australia's specialist clean energy investor the Clean Energy Finance Corporation (CEFC)
- Additionally, following the previously announced joint letter of support from the government export credit agencies,<sup>3</sup> Liontown has received a commitment from Export Finance Australia (EFA) in relation to the ECA Facility
- All debt facilities remain conditional on formal documentation and other customary conditions precedent

**Notes:**

- This comprises a project facility, cost overrun facility and guarantee facility and, except in respect of the cost overrun facility, excludes the allowance for capitalised interest and fees
- Existing EFA guarantee facility of A\$25m will also be replaced as part of the negotiated funding package
- LTR ASX Announcement 7 August 2023 "Liontown Strategy and Project Update – 2023 Diggers and Dealers Mining Forum"
- Stepping down to A\$100m after project completion



# Equity Raising Summary



<b>Offer Structure and Size</b>	<ul style="list-style-type: none"> <li>Liontown is conducting a fully underwritten placement to raise ~A\$365 million pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 ("<b>Institutional Placement</b>")</li> <li>Liontown will also conduct a:             <ul style="list-style-type: none"> <li>A non-underwritten conditional placement of 6 million shares, to raise A\$10.8 million, subject to shareholder approval ("<b>Conditional Placement</b>")</li> <li>A non-underwritten share purchase plan to raise up to approximately A\$45 million ("<b>SPP</b>") (together the Institutional Placement, Conditional Placement and SPP are the "<b>Offer</b>")</li> </ul> </li> </ul>
<b>Issue Price</b>	<ul style="list-style-type: none"> <li>The Institutional Placement will be conducted at A\$1.80 per New Share ("<b>Placement Price</b>")</li> <li>The Placement Price represents:             <ul style="list-style-type: none"> <li>35.5% discount to the last closing price of A\$2.79 per share on Friday, 13 October 2023<sup>1</sup></li> </ul> </li> </ul>
<b>Share Purchase Plan</b>	<ul style="list-style-type: none"> <li>Existing eligible shareholders, being those shareholders that are residents in Australia or New Zealand that held Liontown shares as at 7.00pm AEDT on Wednesday, 18 October 2023 ("<b>Eligible Shareholders</b>") will be invited to participate in a non-underwritten SPP<sup>2</sup></li> <li>Shares under the SPP will be issued at the lower of the Placement Price and a 2% discount to the 5 day volume weighted average price ("<b>VWAP</b>") of Liontown shares up to and including the closing date of the SPP<sup>3</sup></li> <li>Up to A\$30,000 per Eligible Shareholder, targeting a maximum of up to ~A\$45 million</li> <li>Liontown may decide to accept applications (in whole or in part) that result in the SPP raising more or less than A\$45 million in its absolute discretion. Liontown reserves the right (in its absolute discretion) to scale back applications under the SPP if demand exceeds A\$45 million, raise a higher amount or close the SPP at an earlier date</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>Fully paid ordinary shares issued under the Offer ("<b>New Shares</b>") will rank equally in all respects with Liontown's existing ordinary shares from the date of their issue</li> </ul>
<b>Board Participation</b>	<ul style="list-style-type: none"> <li>Subject to shareholder approval, Timothy Goyder has undertaken to purchase 6 million shares at the Placement Price via the Conditional Placement (A\$10.8m)</li> <li>All other eligible members of Liontown's Board of Directors intend to participate in the SPP</li> </ul>

Notes:

- Being the last day of trading of Liontown shares prior to announcement of the Equity Raising
- Further details of the SPP will be contained in the SPP offer booklet, which will be sent to eligible LTR shareholders on Monday, 30 October 2023
- Liontown may apply to ASX for a waiver of Listing Rule 7.1 and 10.11 if required to enable the new shares to be issued under the SPP as an exception to Liontown's placement capacity under ASX Listing Rule 7.1 and as an exception under ASX Listing Rule 10.11



# Indicative Equity Raising Timetable



Event	Indicative date
Record date for eligibility to participate in SPP	7.00pm, Wednesday, 18 October 2023
Launch of Offer	Thursday, 19 October 2023
Suspension lifted and announcement of completion of Institutional Placement	Friday, 20 October 2023
Settlement of New Shares under Institutional Placement	Tuesday, 24 October 2023
Allotment, quotation and trading of New Shares under Institutional Placement	Wednesday, 25 October 2023
Dispatch SPP Offer Documents and SPP Offer open date	Monday, 30 October 2023
SPP closing date	5.00pm, Monday, 20 November 2023
Announcement of SPP Participation Results	Monday, 27 November 2023
Allotment of SPP shares	Monday, 27 November 2023
Commencement of trading of SPP shares	Tuesday, 28 November 2023
AGM to ratify issue of New Shares under Institutional Placement and approve the issue of New Shares under Conditional Placement	Thursday, 30 November 2023
Settlement of New Shares under Conditional Placement	Thursday, 7 December 2023
Allotment, quotation and trading of New Shares under Conditional Placement	Friday, 8 December 2023

All dates and time are indicative and Liontown reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to AEDT time

# Liontown Value Proposition



	<b>Globally significant Tier 1 lithium mine</b>	Located in premier mining jurisdiction of Western Australia and will provide US IRA compliant material First SC6 production expected in mid-2024 with long mine life – provides medium to long term supply security for customers
	<b>Robust lithium thematic</b>	Significant lithium supply deficits forecast to emerge from 2028 onwards Uniquely positioned as one of very few major greenfield mines with offtake optionality to meet increasing demand
	<b>Clear long-term strategy with material value upside</b>	Expanded Kathleen Valley base case and Buldania optionality to take advantage of higher spodumene prices Strategic assessment of downstream refining undertaken to inform value maximising pathway, including joint feasibility study with Sumitomo <sup>1</sup>
	<b>ESG core to strategy</b>	Tjiwarl contracting opportunities and meaningful ongoing engagement in accordance with Native Title Agreement Kathleen Valley to be powered by 95MW renewable-hybrid power station – targeting net zero emissions by 2034
	<b>Capital cost significantly de-risked and materially committed</b>	Approximately 90 percent of project capital committed, significantly de-risking cost and schedule to first concentrate All major construction and mining contracts awarded and project progressing on schedule and is more than 50 percent complete <sup>2</sup>
	<b>Fully funded<sup>3</sup> and robust balance sheet</b>	The equity raising of A\$376m <sup>4</sup> , combined with the A\$760m <sup>5</sup> committed debt facility now fully funds <sup>3</sup> Liontown beyond first production and includes a prudent liquidity buffer to deliver a robust balance sheet
	<b>Experienced leadership strongly aligned to shareholders</b>	Board and Executive Leadership Team with a track-record of delivering success for shareholders Key operational leadership positions filled with resolute commitment to the delivery of the project Board currently hold a collective ~17 percent shareholding

**Notes:**

1. LTR ASX "Liontown Strategy and Project Update 2023 Diggers & Dealers" 7 August 2023
2. As at September 2023
3. Subject to risk factors, and no change to capital commitments, no delays to planned shipment, or material interest rate rises
4. Includes fully underwritten Institutional Placement of A\$365m, assumes that the Conditional Placement for 6 million shares (A\$10.8m) to Tim Goyder is approved at the AGM on 30 November 2023, and excludes proceeds from the SPP
5. This comprises a project facility, cost overrun facility and guarantee facility and, except in respect of the cost overrun facility, excludes the allowance for capitalised interest and fees

# Appendix A Strategy, Buldania & Downstream

# Liontown's Strategy

Our pathway to become a globally significant provider of battery minerals as the world transitions to a low-carbon future



## Kathleen Valley Full Potential

Become a globally significant sustainable supplier of spodumene



## Downstream Expansion

Develop integrated operations to capture higher margins, create new supply chains



## Liontown Full Potential

Expand portfolio through organic growth, value accretive M&A and exposure to the circular economy

# Tier 1 Customers



Binding offtake agreements underpin the majority of sales for the first five years of production



TESLA



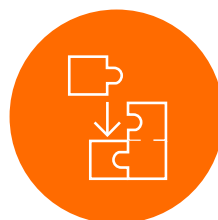
Index Reference	Lithium Hydroxide Index	Lithium Hydroxide Index	Lithium Hydroxide Index
Supply Term	Initial period of 5 years from the commencement of commercial production <i>The Supply Term may be extended for a further 5 years by mutual agreement</i>	5 years	Initial period of 5 years from the commencement of commercial production <i>The Supply Term may be extended for a further 5 years by mutual agreement</i>
Product	Spodumene Concentrate with target specification 6% Li <sub>2</sub> O	Spodumene Concentrate	Spodumene Concentrate with target specification 6% Li <sub>2</sub> O
Volume	§ Year 1: 100,000 DMT (+/- 10%) § Year 2 - 5: 150,000 DMT (+/- 10%)	§ Year 1: 100,000 DMT § Year 2 - 5: 150,000 DMT	§ Year 1: 75,000 DMT (+/- 10%) § Year 2: 125,000 DMT (+/- 10%) § Year 3 - 5: 150,000 DMT (+/- 10%)
Additional Public Terms	§ Buyer may terminate the offtake agreement if commercial production has not occurred prior to 1 September 2025 § Seller shall be relieved of its obligation to supply Product when the Project is under force majeure or placed on care and maintenance on commercially reasonable grounds § Payment requires the Buyer to issue an irrevocable letter of credit	§ Offtake Agreement is conditional upon Liontown commencing commercial production at Kathleen Valley by no later than 1 December 2025	§ Either Ford or Liontown may terminate the Offtake Agreement if commercial production has not occurred prior to 1 September 2025

# Downstream - Getting the Strategy Right Upfront

Given the long life and quality of Kathleen Valley, Liontown has a compelling, and unique, opportunity to unlock more value through becoming an integrated producer and refiner of lithium products by answering the key questions:



Is it value maximising?



Is it robust through the cycles?



Does it give us optionality?

Liontown progressing strategic review upfront to assess place, product and partner - Hatch engaged to assist

## Place

- Geopolitically attractive
- Optimal capital and opex environment
- Skilled workforce

## Product

- Optimal product chemistry
- Managing transport and prequalification

## Partner

- Engagement with strategically-aligned and technically advanced partners

Acceleration of 4 Mtpa mining expansion provides increased material which could be directed into a downstream partnership from 2027



# Downstream – Partnership



## Liontown – Sumitomo Downstream Partnership



- Joint feasibility study into an Australia-Japan lithium supply chain commenced
- Exploring intermediate and finishing plant opportunities in Australia and Japan
- Unique partnership with a major Japanese industrial corporation to maximise future value options



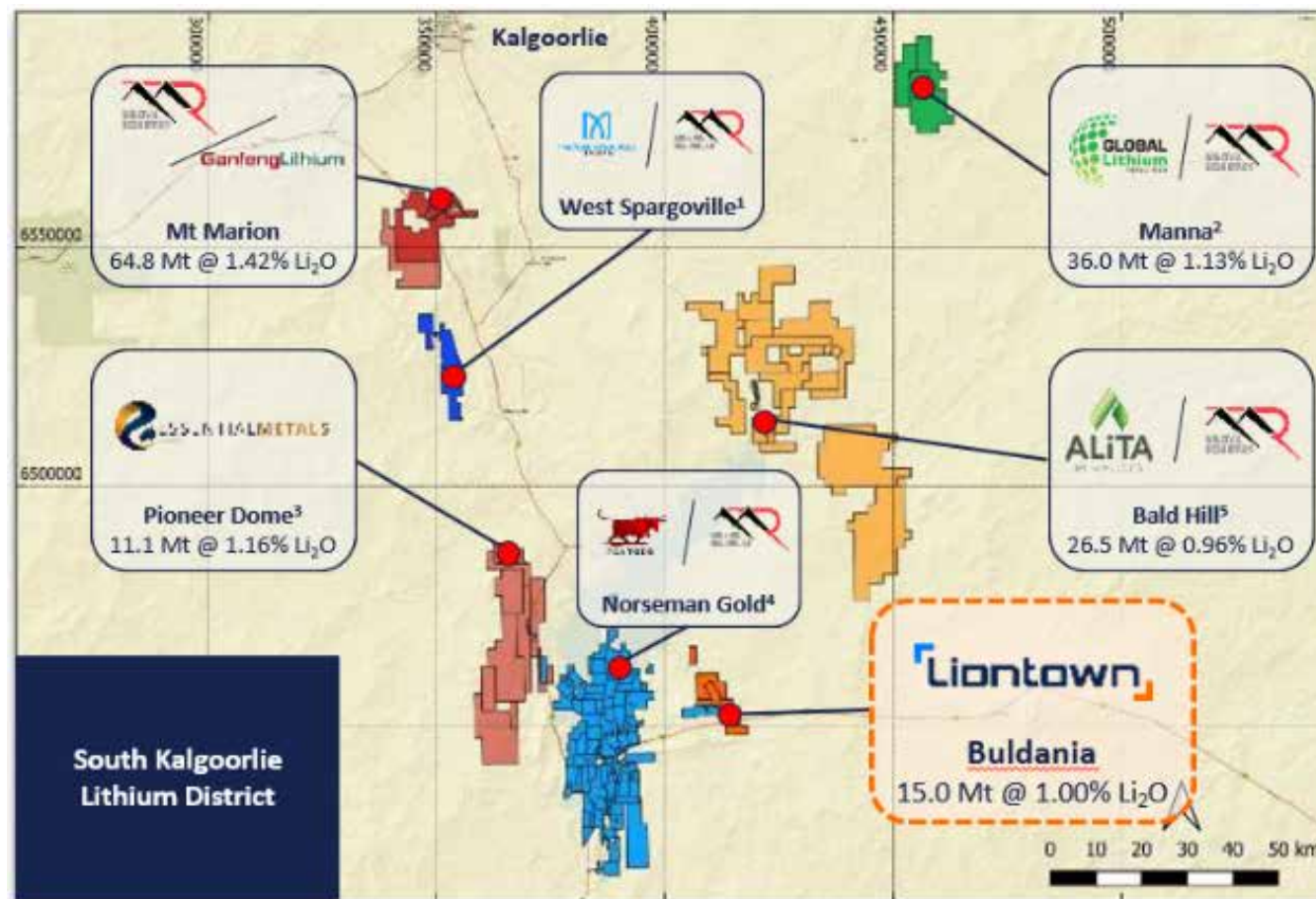
Increasing technical complexity and specialist capability requirements

# Buldania – In the Heart of the South Kalgoorlie Lithium District

1 Exploration completed at the Anna deposit to improve definition and infill the Mineral Resource

2 Early scoping level testwork work confirms ore is amenable to gravity, flotation and ore sorting recovery method

3 Key baseline environmental surveys and Native Title protocol negotiation underway



Notes:

Pantoro: 14 December 2021 Mineral Resources to earn up to 65% across Norseman Gold Project

Marquee Resources ASX Announcement: 12 July 2022 - Mineral Resources Completes Due Diligence at the West Spargoville Lithium Project.

Global Lithium: Mineral Resources 9.55% ownership

Essential Metals: Mineral Resources 19.55% ownership

Source: Company fillings

# Appendix B

## Key Risks



# Key Risks



This section discusses some of the key risks associated with an investment in shares in Liontown (“*Shares*”). There are a number of risk factors, specific to Liontown and of a general nature, which may affect the future operating and financial performance of Liontown, the industry in which it operates and the value of Liontown’s Shares. Potential investors should consider whether the securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. Liontown has implemented appropriate strategies, actions, systems and safeguards for known risks; however, some are outside its control. While some common risk factors are set out below, it is not possible to produce an exhaustive list. The Liontown Directors recommend that potential investors consult their professional advisers before making any investment decisions. The principal risks include, but are not limited to the following:

## Business Risks

### Production, Capital Cost, and Operating Cost Estimates

The ability of Liontown to achieve production targets, or meet operating and capital expenditure estimates as disclosed in its Definitive Feasibility Study and Updated Downstream Scoping Study release (see ASX announcements of 11 November 2021) (as refined and optimised by reference to its Kathleen Valley Project Updates (see ASX Announcements of 20 January 2023 and 29 September 2023)) on a timely basis cannot be assured. Following the award of all major contracts, Liontown now estimates that the Project capital cost to first production (including capitalised mining costs) will be A\$951 million (“Capital Cost”) (see ASX Announcement of 29 September 2023). This represents a ~six per cent increase from the A\$895 million estimate announced in January 2023 (see ASX Announcement 20 January 2023). With all major contracts for construction and mining now awarded, together with demonstrable progress on site, Liontown has reinforced confidence in delivering production by mid-2024.

Liontown, having awarded the underground mining and supply chain logistics contracts (ASX Announcements dated 19 July 2023 and 29 September 2023), has been able to undertake a comprehensive review of operating costs (“Opex”) estimates (ASX Announcement dated 29 September 2023). The Company estimates a 10-year average cash cost (C1) of A\$651 per SC6 tonne (excluding royalties, assuming production from 1 January 2025). It should also be noted that Opex unit rates may be higher than the average in the ramp up period and early in the first year as production increases and fixed cost are diluted.

The assets of Liontown, as any others, are subject to uncertainty and unexpected technical, geographical, metallurgical, meteorological, geological, third party access, native title and heritage, community, operational environment, funding for development, regulatory changes, or inclement weather issues, accidents or other unforeseen circumstances such as unplanned mechanical failure of plant or equipment or pandemics, such as COVID-19. While Liontown considers all of the material assumptions in its Definitive Feasibility Study and Updated Downstream Scoping Study and subsequent project updates (see ASX Announcements of 20 January 2023 and 29 September 2023) to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated will be achieved and, accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Liontown’s viability.

Liontown has prepared a range of target cash costs for its proposed operations at the Kathleen Valley Lithium Project. No assurance can be given by Liontown that such targets will be achieved. Capital costs may be affected by unexpected modifications to plant design, changes to estimates of non-fixed components, delays in commissioning and sourcing financing, and further cost inflation. Both now and in the future, higher than expected inflation rates generally, specific to the mining industry, or specific to Australia, may increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such costs increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could have an adverse impact on Liontown’s future cash flows, profitability, results of operations and financial condition.

Liontown will continue to enter into various agreements for the Kathleen Valley Lithium Project. Risks associated with these agreements include rising contract prices as well as disputes regarding variations, extensions of time and costs, operational interfaces with adjacent projects, and global events impacting contractual performance and liability (for examples, the outbreak of another global pandemic), all of which may give rise to delay and/or increased costs. Additionally, the inability to resource teams, supply chain issues (particularly in relation to transportation and equipment) or other operational incidents within Liontown may result in production and equipment shortages, increased costs and delays.

Production guidance and targets are subject to assumptions and contingencies which are subject to change as operational performance and market conditions change or other unexpected events arise. Any production guidance is dependent on a number of factors including maintenance and operation of the mine and associated infrastructure operating without material equipment failure, continuity of experienced personnel, and achievement of recovery rates from the Kathleen Valley Lithium Project. Moreover, unforeseen production cost increases could result in Liontown not realising its operational or development plans or such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Liontown’s financial and operational performance.

# Key Risks (cont.)



## Development Stage

The Kathleen Valley Lithium Project is at the development stage. The prospects of Liontown should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development.

The business of mineral exploration, project development, project commissioning and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors and there can be no assurance that the Kathleen Valley Lithium Project will be brought into commercial production.

## Water sources Risk

Securing access to additional water sources (less than 5,000 total dissolved solids) has been identified as a requirement to reach commercial production run rate of 3mtpa. The water required (plus supply contingency) to reach 3mtpa has been identified and Liontown is working through the required approvals and infrastructure development needed to access this water in time for reaching commercial production of 3mtpa. In the event access to the additional water cannot be achieved, this may result in delayed ramp up to a 3mtpa production run rate.

## Access to Accommodation

Liontown increased on-site permanent accommodation capacity compared to the original plan to support increased labour resources and de-risk the schedule. This has been necessitated by external accommodation capacity constraints in the region and lower labour productivity being experienced. The Company has arranged for additional temporary accommodation to be installed on-site to align with requirements associated with the increased headcount during the project period. To the extent that this additional accommodation does not become available in line with the broader project schedule, then this has the potential to cause delays.

## Future Capital Requirements

The future capital requirements of Liontown will depend on many factors including its business development activities. Liontown believes its available cash, debt financing and the net proceeds of the Offer should be adequate to fund its immediate development plans, business development activities, exploration program and other objectives through to first production as stated in this Presentation. However, additional financing may be required to fully fund business development activities, exploration programs, corporate and other objectives in the long term and, therefore, Liontown is expected to require other sources of funding.

In order to fund future expansions of the Kathleen Valley Lithium Project, including the planned expansion to 4Mtpa in 2027, Liontown may require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer price) or may involve restrictive covenants which limit Liontown's operations and business strategy. Debt financing, if available, may involve restrictions on financing, operating and other business development activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Liontown or at all.

Liontown may undertake additional offerings of securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of any such issue of additional Shares, the voting power of Liontown's existing Shareholders will be diluted.

Liontown remains committed to delivering the Kathleen Valley Lithium Project in a cost-effective manner, consistent with previously stated safety and schedule priorities, and will continue to apply prudent and efficient capital expenditure processes.

# Key Risks (cont.)



## Debt Financing

On 29 June 2022, Liontown and the Ford Motor Company executed a binding funding facility agreement (“Funding Facility”) with respect to a A\$300 million debt funding facility to be used for the development of the Kathleen Valley Lithium Project (see ASX Announcement of 29 June 2022).

Subsequently, the Kathleen Valley Lithium Project's engineering design and project delivery has been significantly refined and optimised by Liontown (see ASX Announcement 20 January 2023) against a market backdrop of escalating costs for construction and materials as well as higher inflationary pressures being experienced across the market, particularly in Western Australia. In addition, as part of this process, several optimisation and scope changes have been made, including the 20% expansion in initial throughput capacity to 3 Mtpa, which have impacted the capital estimate for the Kathleen Valley Lithium Project.

As such, Liontown has executed a commitment letter attaching a credit approved term sheet (the “*Commitment Letter*”) with Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank Limited, Société Générale, the Hongkong and Shanghai Banking Corporation, Westpac Banking Corporation, the Clean Energy Finance Corporation and Export Finance Australia (together, the “Lenders”) to obtain the funding it presently considers that it requires to meet its final funding requirements. The size of the committed debt package is A\$855m (including allowances for capitalised interest and fees), of which A\$720m is a project facility, together with a A\$110m cost overrun facility, to fund construction and other project costs, and a A\$25m guarantee facility (to replace the existing A\$25m EFA guarantee facility). A A\$100m working capital facility will replace the cost overrun facility once certain drawn amounts of the cost overrun facility have been repaid and the Kathleen Valley Lithium Project is in production and meets certain tests for Project Completion under the funding arrangements. While Liontown is negotiating the full form documentation with the Lenders, there can be no guarantee that they will result in a binding agreement.

Management has strategies to tailor budgeted cashflows based on future funding received. However, in the absence of available debt financing, Liontown will rely on continuing access to capital markets to fund further development. With that said, failure to utilise the debt financing for Liontown's activities may result in delay and indefinite postponement of exploration, development or production at the Kathleen Valley Lithium Project. The proposed full form documentation with the Lenders will be based on the detailed term sheet attached to the Commitment Letter. Such loan agreement will contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that Liontown would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by Liontown or default under a finance lease could also result in the loss of assets. Moreover, while Liontown may enter into certain loan agreements and other financing arrangements, there can be no guarantee that Liontown will reach financial close, nor be able to satisfy the tests required for progressive utilisations, under those documents such that it is able to access the relevant loans or similar.

If Liontown is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs to reduce expenditure and this could have a material adverse effect on Liontown's activities. Unfavourable market conditions may adversely affect Liontown's ability to raise additional funding regardless of Liontown's operating performance.

## New Projects and Acquisitions

Liontown will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements / permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on Liontown.

# Key Risks (cont.)



## Offtake Agreements

Liontown currently has offtake arrangements with LG Energy Solutions, Tesla and Ford. The remaining production from Kathleen Valley is intended to be retained for spot volume sales and/or discrete offtake agreements.

Liontown's operations and revenues are also dependent on counterparties to existing and future offtake agreements performing their obligations. If counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, Liontown's profit could be adversely affected. The risk of non-performance or attempted renegotiation of terms by Liontown's offtake customers is enhanced by the prevailing demand and pricing sensitivities currently impacting the global market for lithium products. Liontown has sought to mitigate counterparty risk by diversifying its customers across industries in the lithium supply chain and across Korea and the United States. Additionally, trading and other terms and conditions ultimately agreed with offtake parties may expose Liontown to adverse changes in the freight and insurance markets, and may expose Liontown to different legal jurisdictions. In addition, there is a risk that an offtake party may become insolvent or may not be able to meet its future buying obligations under relevant offtake agreements. Where an offtake party does not meet its obligations, there is a risk that excess product will not be able to be sold on the limited spodumene market. Furthermore, Liontown's offtake agreements require a minimum product specification for product grade and maximum impurity levels. If Liontown is not able to achieve the required product specification to satisfy the customer offtake agreements, there is no guarantee Liontown will be able to sell its product. There is no certainty or assurance that Liontown will be able to continuously meet product specifications particularly on account of inherent risks associated with the extraction and processing of ore.

On 3 August 2023, the Company announced its intention to proceed with delivery of Direct Shipping Ore ("DSO") product to provide an early source of revenue ahead of the first concentrate production at the Kathleen Valley Lithium Project. Due to softening market conditions, the Company is now planning to ore sort the DSO and add it to the stockpile as future mill feed. However, the Company maintains optionality to sell DSO material should market conditions improve. There is no certainty or assurance that market conditions will improve or that customer interest will continue to be present into the future. The sales of DSO product post first concentrate production are subject to a separate business decision and market conditions at the time.

## Native Title and Aboriginal Heritage

The Kathleen Valley Lithium Project tenements are located within areas that are covered by the Tjiwarl Determined Native Title Claim (WC11/7). Liontown entered into a native title agreement with the Tjiwarl Native Title Holders (see ASX announcement dated 17 November 2021). Although the native title agreement is a key enabler for finalising government permit applications and subsequent approvals to comply with relevant government legislation, Liontown cannot guarantee that such government approvals will be obtained. The native title agreement is consultative in nature. All future key approvals required for the Kathleen Valley Lithium Project require submission and consultation (but not approval) with the Tjiwarl Native Title Holders prior to lodgement with the relevant government authority.

Additionally, while Liontown has conducted extensive heritage surveys in conjunction with the Tjiwarl Native Title Holders, if further Aboriginal heritage sites or objects are identified, Liontown may be required to undertake additional related activities (incurring additional time and cost).

Liontown has policies and procedures in place and a management team with significant experience in engaging with native title holders, including the Tjiwarl Native Title Holders. Whilst Liontown and the Tjiwarl Native Title Holders have developed a strong working relationship, there is no guarantee that this will always be maintained or that there won't be breaches of the native title agreement in the future, which may affect Liontown's schedule or ability to develop the project.

# Key Risks (cont.)



## Approvals and Permitting

The development of the Kathleen Valley Lithium Project is subject to obtaining further key approvals and revisions to existing approvals from relevant government authorities. The Company has an approvals schedule and a management team with significant experience in approvals required for mining projects in Western Australia, including successfully obtaining existing approvals for the Kathleen Valley Lithium Project. A delay or failure to obtain required permits may affect the Company's schedule or ability to develop the project.

Any material adverse changes in government policies or legislation in Western Australia and Australia that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned development of the Kathleen Valley Lithium Project and other projects in the Company's portfolio. No assurance can be given that new rules and regulations will not be enacted or that existing rules will not be applied in a manner which could adversely impact the Company's mineral properties.

## Exploration and Development Risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that further exploration of the Kathleen Valley Lithium Project, Buldania Project, or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource or further economic resources.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices, shocks to supply chains, or other technical difficulties.

The future exploration activities of Liontown may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, land access difficulties, native title process, changing government regulations and many other factors beyond the control of Liontown.

The success of Liontown will also depend upon Liontown having access to sufficient development capital, being able to maintain title to its projects, and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful, this could lead to a diminution in the value of its projects, a reduction in the cash reserves of Liontown, and possible relinquishment of part or all of its projects.

## Operating Risk

The planned schedule for the commissioning and ramp up of the spodumene processing plant are subject to operating risk that could impact the amount and quality of spodumene produced or increase the cost of production for varying lengths of time. Such difficulties include: changes or variations in ore grade and dilution, metallurgical performance; mining, processing, loading, and heavy equipment failures and unexpected maintenance problems; limited availability or increased costs of mining, processing and loading and heavy equipment and parts and other materials from suppliers; mine safety accidents; export port infrastructure and capacity allocation, adverse weather and natural disasters; and a shortage of skilled labour. If any of these or other conditions or events occur in the future, they may increase the cost of mining or delay or halt planned commissioning, ramp up and production, which could adversely affect our results of operations or decrease the value of our assets. Liontown has a risk management framework for the management of operational risks and an insurance program which provides coverage for a number of these operating risks.

Future revenue may be based on exports of lithium and/or tantalum concentrate to foreign jurisdictions. A loss of, or disruption to, any distribution channels, any adverse changes to trade tariffs, political instability, shifts in market demand or adoption of new technologies, and/or other matters which impact the ability of Liontown to export could materially impact its business and operations. There is no guarantee that Australian government legislation and regulations will not change in the future and prohibit export of concentrates. Furthermore, there is no guarantee that foreign government legislation and regulations will not change in the future and prohibit the import of lithium and/or tantalum concentrate from Australia. Any adverse legislative or regulatory change of this type would have a significant adverse effect on Liontown's financial position, financial performance and prospects.



# Key Risks (cont.)



## Lithium and tantalum Recovery

Mineral recoveries are dependent upon the process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- identifying a process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce lithium and/or tantalum concentrate, noting that Liontown intends to use a whole-or-ore flotation processing flowsheet; and
- changes in mineralogy in the ore deposit can result in inconsistent minerals recovery, affecting the economic viability of the Kathleen Valley Lithium Project.

## Commodity and Currency Price Volatility

Liontown's revenues (specifically under its offtake agreements) will be exposed to fluctuations in the prices for the minerals it produces including the price of lithium. Volatility in pricing creates revenue uncertainty and requires careful management of business performance and cashflows. Lower prices can impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on Liontown's results of operations and financial condition. The factors which affect the price for lithium and other minerals (many of which are outside the control of Liontown and its directors) include, among many other factors, the terms of its offtake agreements; manufacturing activities; the quantity of global supply in lithium as a result of the commissioning of new mines and the decommissioning of others; political developments in countries which produce and consume lithium, and the demand for the applications for which lithium may be used and/or the advancement of alternative technologies for use in such applications and which do not require the use of lithium or a lesser quantity of lithium; the grade and quality of lithium produced; and sentiment or conditions in the countries and sectors in which Liontown and its business/commercial partners sell or intend to sell their products. Given the range of factors which contribute to the price of lithium, and the fact that pricing under Liontown's offtake agreements is linked to market prices, it is particularly difficult for Liontown to predict with any certainty the prices at which Liontown will sell its product and accordingly, investors are cautioned not to place undue reliance on any price or demand forecasts provided by Liontown or by external analysts. Moreover, there is a risk that the long-term spodumene price could settle at a point that could materially affect Liontown's financial performance and its ability to comply with its obligations under any debt funding arrangements.

Project financing facilities with Ford are denominated in Australian dollars and most of the planned development and operational activities are denominated in Australian dollars. Sales revenues will be denominated in US dollars and the Company's ability to fund activities and make debt repayments may be adversely affected if the Australian dollar rises against the US dollar. Moreover, movements in currency exchange rates may affect cash flows, profitability, costs and revenue which may adversely affect the operational performance and financial condition of Liontown. It is not possible to accurately predict future movements in exchange rates. Liontown is currently proposing to adopt a hedging policy and will assess whether it is necessary or appropriate to adopt hedging strategies to mitigate this risk in the future.

## Competition Risk

Liontown competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than Liontown and, as a result, may be in a better position to compete for future business opportunities. Many of Liontown's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. Liontown may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels. Liontown's potential downstream operation may also be impacted by new entrants to the market, or existing producers, pursuing a similar strategy. Consequently, there can be no assurance that Liontown can compete effectively with these companies.

## Land Access Risk

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Liontown may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities.

# Key Risks (cont.)



## Third Party risks

Under state and Commonwealth legislation (as applicable), Liontown may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the tenements, including pastoral leases, privately held land, petroleum tenure and other mining tenure in respect of exploration or mining activities on the tenements. Liontown may not be successful in negotiating access with holders of third-party interests. Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact Liontown's ability to carry out exploration or mining activities within the affected areas.

## Environmental Risks

The operations and proposed activities of Liontown are subject to Australian laws and regulations concerning the environment. The costs of complying with these laws and regulations may impact the development of economically viable projects. As with most exploration projects and mining operations, Liontown's activities are expected to have an impact on the environment. It is Liontown's intention to conduct its activities to the highest standard of environmental management, including compliance with all environmental laws. The cost and complexity of complying with the applicable environmental laws and regulations may prevent Liontown from being able to develop potentially economically viable mineral deposits. Although Liontown believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject Liontown to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of Liontown. Further, Liontown will require key governmental (including environmental) approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain (or maintain) such approvals will prevent Liontown from undertaking its desired activities. As noted above, Liontown has entered into a native title agreement with the Tjiwarl Native Title Holders (see ASX announcement dated 17 November 2021). Although the native title agreement has been a key enabler for finalising key government (including environment) permit applications and subsequent key approvals to comply with relevant government legislation, Liontown cannot guarantee that such government approvals will be obtained or that new approvals will not be required. An approvals strategy is being implemented.

Liontown is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase Liontown's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Liontown to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Liontown's business, financial condition and results of operations.

## Climate Change

Climate change exposes Liontown to a range of risks, as well as opportunities associated with the global transition to a greener economy. Risks to Liontown as a direct or indirect result of climate change may include:

- increases in frequency or severity of extreme weather events or natural disasters;
- changes to the regulatory and enforcement environment for Liontown's business, including the inclusion of climate change considerations in regulatory approvals, and the imposition of tariffs and other imposts on cross border supply chains; and
- changes to the availability and accessibility of debt capital and insurance.

Direct impacts of climate change are likely to be geographically specific, and may include one or more of changes in rainfall patterns, drought-induced water shortages, increase in the occurrence and intensity of extreme weather events (including bushfires, storms and floods), and rising temperatures. The occurrence of such events, or an increase in the frequency and severity of such events, could result in damage to Liontown's mine sites and equipment, interruptions to critical infrastructure such as transport, water and power supply, or loss of productivity, and increased competition for, and the regulation of, limited resources (such as water). Each of the above events, either individual or in aggregate, may have a material adverse effect on Liontown's operational condition and financial performance.

# Key Risks (cont.)



## Tenure and Access Risk

Liontown's rights in tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties. Any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, Liontown may lose its rights to exclusive use of, and access to any, or all, of the tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts.

Additionally, Liontown may not be able to access tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

## Mineral Resources and Ore Reserves Estimates

Liontown reports ore reserves and mineral resources estimates in accordance with the JORC Code. These estimates can be imprecise and are determined by applying a number of material assumptions, including future commodity prices and foreign exchange, cut-off grades, future operating and capital costs, along with a technical assessment of exploration and operating data (among other things). However, until mineral deposits are actually mined and processed, any ore reserves and mineral resource estimates are merely estimates.

There can be no guarantee that Liontown's mineral resources estimates will be converted to ore reserves, or that material included in Liontown's ore reserves estimates will be successfully produced. Nor can there be any guarantee that Liontown's exploration activities will result in the discovery of new material, or reclassification of material previously discovered, to be included in mineral resources and ore reserves estimates. In addition, changes in factors outside of Liontown's control, such as adverse changes to long term forecasts of commodity prices, may result in an adverse change to Liontown's mineral resources and ore reserves estimates. If Liontown's mineral resources and ore reserves estimates overstate actual outcomes, it may adversely affect Liontown's business and operations, financial condition, share price, and prospects.

## Access to Infrastructure Risk

Mining, processing, development and exploration activities depend, to a significant degree, on adequate infrastructure. In the course of developing future mines, Liontown may need to construct and/or update existing infrastructure, which includes permanent water supplies, dewatering, tailings storage facilities, power, maintenance facilities, housing facilities and logistics services and access roads. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect Liontown's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on Liontown's sites could materially adversely affect Liontown's results of operations or financial condition. Furthermore, any failure or unavailability of Liontown's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could materially adversely affect its exploration activities or development of a mine or project.

## Mining Risks

The existing and future open pit and underground mining operations of the Company, are subject to a number of uncertainties, including in relation to ore tonnes, grade, dilution, ground conditions, operational environment, regulatory changes, weather (including flooding in the event of heavy rainfall), accidents, difficulties in operating plant, pastefill scheduling/ placement and equipment, availability of skilled labour and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

The Company has prepared a mine schedule for the Kathleen Valley Lithium Project to support the throughput requirements of the processing plant. The ability of the Company to achieve scheduled mining and development rates cannot be assured and there are risks that they will not be achieved. Whilst the Company has adopted a number of measures to minimise this risk, including, early commencement of open pit mining operations and stockpiling of ore ahead of plant ramp-up, open pit and underground mining operations to run concurrently during ramp up, two separate orebodies with their own declines and ventilation, accelerated design/ construction of pastefill plant/s, plus the engagement of a Tier 1 underground mining operator, failure to achieve production targets could have an adverse impact on the Company's future cash flows, profitability and financial condition.

# Key Risks (cont.)



## Future Rehabilitation Liabilities

Liontown is required to include provisions in its financial statements for future rehabilitation and restoration costs. Estimating the likely quantum of such costs involves making assumptions as to mine life (which, in turn, is influenced by estimates regarding future commodity prices), the extent of disturbance and contamination, the extent, timing and cost of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to inflation rates, and changes in discount rates.

As such, no assurance can be given as to the accuracy of Liontown's current provisions for future rehabilitation and closure costs, and actual costs may be substantially greater. Increases in future rehabilitation and closure costs may impact Liontown via:

- adversely impacting the overall financial position of Liontown;
- adversely impacting the economic assumptions underpinning mineral resource and ore reserves estimates, in turn resulting in an adverse revision to estimates which underpin mine life; and
- review of the carrying value of Liontown's assets, which may result in impairment charges.

## Reliance on Key Personnel and Competitive Employment Environment

Liontown's business is dependent upon Liontown's ability to attract and retain a workforce with the appropriate skills and experience to execute Liontown's business plans and to ensure Liontown meets its obligations. Liontown is also reliant on a number of key personnel and consultants for crucial roles, including members of the senior management team and the Board. The loss of one or more of these key contributors could have an adverse impact on the business of Liontown. In addition, the market for personnel with the requisite skills and experience is highly competitive, particularly in Western Australia, and is subject to general labour market conditions and other factors, such as changes in Government policy regarding skilled migration, which are outside of Liontown's control. It may be particularly difficult, or lead to unexpected increases in costs, for Liontown to attract and retain suitably qualified and experienced people given the current high demand in the industry.

Tight general labour market conditions are expected to remain in the nearer term. Impacts associated with attracting and retaining a suitably skilled and experienced workforce include: (a) changes to Liontown's operating plans to manage available human resources; (b) risks associated with staff turnover, including additional costs to train new personnel and the potential for health and safety incidents as a result of new personnel being unfamiliar with the specific environment and risks at Liontown's sites; and (c) incurring additional costs to implement attraction and retention strategies in the competitive landscape. Each of the above factors may adversely affect Liontown's operational performance, margin or otherwise effect its overall financial condition.

## Contract and Counterparty Risk

The ability of Liontown to achieve its stated objectives will depend on the performance of contractual counterparties.

The project execution strategy proposed for the Kathleen Valley Project is an Engineering, Procurement and Construction Management (EPCM) approach, and Liontown has an EPCM contract strategy in place. Liontown has now executed the vast majority of the contracts that are most material in the construction, development and operation of the Kathleen Valley Lithium Project. Should any of the risks associated with entering into these agreements materialise, this could have a material adverse impact on Liontown's profitability and financial condition.

If Liontown's counterparties default on the performance of their respective obligations, for example if an offtake counterparty defaults on payment or a supplier defaults on delivery, it may be necessary to approach a court to seek enforcement or some other legal remedy, if no alternative settlement can be reached. Such legal action can be uncertain, lengthy and costly. There is a risk that Liontown may not be able to seek the legal redress that it could expect against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms.

# Key Risks (cont.)



## Contracting Risk

There is an inherent risk that construction at the Kathleen Valley Lithium Project may not be completed on schedule, or that the construction cost may be difficult to manage, or that significant problems in the commissioning or metallurgical processes of the plant may arise.

Liontown has outsourced substantial parts of the development and construction at the Kathleen Valley Lithium Project to third party contractors. Such contractors may not be available to perform services when required or may only be willing to do so on terms that are not acceptable to Liontown. Further, performance may be constrained or hampered by the contractor's capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental and land access compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, Liontown may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances may have a material adverse effect on development, construction and Liontown's financial condition.

## Occupational Health and Safety

Site safety and occupational health and safety outcomes are critical to Liontown's reputation and its ability to retain necessary regulatory approvals. Certain events may be outside the control of Liontown and a serious site incident could have adverse regulatory, operational and financial impacts upon Liontown's business, as well as on its personnel, contractors and reputation. In addition, Liontown is subject to various OH&S legislative and regulatory requirements, which may become more stringent or the subject of stricter interpretation or enforcement. If Liontown fails to comply with these requirements, it could result in fines, penalties and compensation for damages as well as reputational damage to Liontown, and possible suspension of operations.

## Economic Risk

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on Liontown's exploration, development and production activities, as well as on its ability to fund those activities.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of Liontown. Such factors include supply and demand fluctuations for minerals, technological advances, forward-selling activities and other macro-economic and geopolitical factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should Liontown achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of Liontown to commodity price and exchange rate risks.

## Dividends

Any future determination as to the payment of dividends by Liontown will be at the discretion of the Directors and subject to any restrictions under Liontown's debt facilities and will depend on the financial condition of Liontown, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the continued or future payment of dividends or franking credits attaching to dividends can be given by Liontown.

## Contractual Risk

If Liontown enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full. The ability of Liontown to achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements, in particular offtake agreements. If any party defaults in the performance of its obligations, it may be necessary for Liontown to approach a court to seek a legal remedy, which can be costly.

# Key Risks (cont.)



## Insurance Risks

Liontown insures its operations in accordance with industry practice. However, in certain circumstances, Liontown's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Liontown. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

## Force Majeure

Liontown's projects now or in the future may be adversely affected by risks outside the control of Liontown including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

## Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on Liontown's assets, operations and ultimately the financial performance of Liontown and its Shares. Such changes are likely to be beyond the control of Liontown and may affect industry profitability as well as Liontown's capacity to explore and mine. Liontown notes that an amended version of the Aboriginal Heritage Act 1972 (WA) will be presented to the Western Australian Parliament as a new Bill following the repeal of the Aboriginal Cultural Heritage Act 2021 (WA). It is uncertain whether the new Bill will have a material impact on Liontown and the Kathleen Valley Lithium Project.

Liontown is not aware of any other reviews or changes that would affect the Kathleen Valley Lithium Project. However, changes in community attitudes on matters such as taxation, competition policy and environmental or social issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Liontown's development plans or its rights and obligations in respect of its projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by Liontown.

## Litigation Risk

Liontown is exposed to possible litigation risks including native title claims, royalty disputes (including royalty calculation disputes and other potential claims from royalty holders), tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, Liontown may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Liontown's operations, financial performance and financial position. They can also take up significant time and attention from management and the Board. Liontown is not currently engaged in any litigation.

## Accounting Standards May Change

Accounting standards may change. This may affect the reported earnings of Liontown and its financial position from time to time. Liontown has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

## Tax Law May Change

Changes to tax legislation, the interpretation of tax legislation by the courts, the administration of tax legislation by the relevant tax authorities and the applicability of such legislation may affect Liontown's financial performance or the tax treatment of an investment in Liontown Shares, including any returns on Liontown Shares (for example, any franked dividends).

## Business Disruption Resulting from Cyber Security Breaches

Liontown embraces the use of technology as an important aspect of enhancing business performance. Accordingly, any breach of our information technology platform could cause significant disruption to the business as well as potentially damaging the Company's reputation through the loss of sensitive information. Liontown takes an active approach to mitigating its risks and exposure to cyber security threats through regular reviews of the information technology control environment and understanding of new and emerging cyber security threats.

# Key Risks (cont.)



## Risks Specific to the Placement

### Offer Completion Risk

Liontown has entered into an underwriting agreement to fully underwrite the Placement, subject to the terms and conditions of that agreement (the “Underwriting Agreement”). If certain conditions are not satisfied or certain events occur, then each Joint Lead Manager may terminate the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement are summarised in Appendix C of this Presentation.

The termination of the Underwriting Agreement would have an adverse impact on the amount of funds raised under the Placement and, if it were to occur, Liontown may need to take other steps to raise capital. Termination of the Underwriting Agreement could materially adversely affect Liontown’s business, cash flow, financial condition and results of operations. Further, the SPP is not underwritten. Accordingly, it is uncertain how much capital Liontown will raise under the SPP.

### Dilution

Existing shareholders who do not participate in the Placement or the SPP will have their percentage shareholding in Liontown diluted. A participating shareholder may also be diluted even though it participates in the Placement or the SPP, depending on the number of New Shares allocated to them. Investors may also have their investment diluted by future capital raisings by Liontown. Liontown may issue new securities in the future (including, without limitation, to finance acquisitions, contractually payable amounts or pay down debt) which may, under certain circumstances, dilute the value of an investor’s interest.

### Share Market Generally

Share market conditions may affect the value of Liontown’s Shares regardless of Liontown’s operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- currency rates, interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- the potential impact of short selling;
- global or domestic pandemics; and
- geopolitical instability, international hostilities or war and acts of terrorism in Australia and around the world.

The market price of shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither Liontown nor the Directors warrant the future performance of Liontown or any return on an investment in Liontown.

### Liquidity

There can be no guarantee that an active market for Liontown shares will exist following the Placement and SPP. There may be relatively few potential buyers or sellers of Liontown shares on the ASX at any given time.

# Appendix C Summary of Underwriting Agreement



# Summary of Underwriting Agreement

Liontown has entered into an underwriting agreement with the Underwriters in respect of the Placement ("**Underwriting Agreement**"). The Underwriters' obligations under the Underwriting Agreement, including to underwrite and manage the Placement, are conditional on certain matters, including the timely delivery of certain due diligence materials or the delivery of certain certificates or other documents. If certain conditions are not satisfied, or certain events occur, the Underwriters may terminate their obligations under the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include the following:

- a material statement or fact contained in the Placement materials is misleading or deceptive or the Placement materials omit any material fact necessary to make the statements therein not misleading or deceptive or the Placement materials contain a statement of opinion or belief which is not truly and honestly held or for which there are no reasonable grounds for making;
- there are certain delays to the timetable for the Placement (other than with the prior written consent of the Underwriters);
- ASX announces that Liontown's securities will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation for more than 1 business day (other than any trading halt or suspension in connection with the Placement);
- approval (subject only to customary conditions) is refused or not granted to the official quotation of all the New Shares on ASX by the time specified in the timetable, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- Liontown is prevented from conducting or completing the Placement (including allotting or issuing the New Shares) under the ASX Listing Rules or by ASIC, ASX, any applicable laws, an order of a court of competent jurisdiction or a government agency or Liontown is otherwise unable or unwilling to do so;
- Liontown does not provide a confirmatory certificate to the Underwriters by the time specified under the Underwriting Agreement;
- a change in the Chairman, CEO or COO occurs;
- in the reasonable opinion of an Underwriter, a material adverse change occurs with respect to Liontown;
- Liontown withdraws the Placement;
- any government agency holds, or gives notice of an intention to hold, a hearing or investigation in relation to the Placement or Liontown and such hearing, notice or investigation becomes public or is not withdrawn within 2 business days or otherwise discontinued by the times specified in the Underwriting Agreement;
- any government agency prosecutes, commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, Liontown or any of its directors, officers, employees or agents in relation to the Placement and such notice, prosecution or proceeding becomes public or is not withdrawn within 2 business days or otherwise discontinued by the times specified in the Underwriting Agreement;
- a director of Liontown or a member of senior management is charged with an indictable offence relating to any financial or corporate matter or is disqualified from managing a corporation under the Corporations Act;
- Liontown (or any member of the Liontown Group that represents 5% or more of the consolidated assets or earnings of the Liontown Group) becomes insolvent or there is an act or omission which will result in Liontown or a material subsidiary suffering an insolvency event;
- Liontown or any of its directors, members of senior management or officers engages in any fraudulent conduct or activity whether or not in connection with the Placement;
- Liontown fails to perform or observe any of its obligations under the Underwriting Agreement or any representation or warranty given by Liontown in the Underwriting Agreement is or becomes false or incorrect;
- the information supplied by or on behalf of Liontown to the Underwriters for the purposes of due diligence in relation to the Placement, is or becomes misleading or deceptive (including, in each case, by omission or misstatement);
- a confirmatory certificate which is required to be furnished by Liontown under the Underwriting Agreement is untrue or incorrect;
- the S&P/ASX 200 closes at a level 12% or more below its level on the ASX trading day immediately prior to the date of the Underwriting Agreement, on any ASX trading day between the date of the Underwriting Agreement and the Placement settlement date; or
- a change in Liontown's senior management or board of directors occurs (other than the CEO, COO or Chairman);
- legal proceedings are commenced, or there is a public announcement of an intention to commence legal proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Placement;

# Summary of Underwriting Agreement

- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any government agency which makes it illegal for the Underwriters to satisfy an obligation under the Underwriting Agreement;
- hostilities not presently existing commence or there is a major escalation of existing hostilities (whether war has been declared or not) involving one or more of Australia, any member of the European Union, Hong Kong, New Zealand, Singapore, the United Kingdom, a member of NATO or the United States of America, or a terrorist act is perpetrated on any of those countries or any diplomatic military, commercial or political establishment of any of those countries elsewhere in the world or chemical, nuclear or biological weapons of any sort are used in connection with the Ukraine conflict that is ongoing at the date of the Underwriting Agreement;
- a general moratorium on commercial banking activities in Australia, Hong Kong, Singapore, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- trading of securities quoted on ASX, the London Stock Exchange, Hong Kong Exchanges and Clearing, the New York Stock Exchange or Singapore Stock Exchange is suspended, or there is a material limitation in trading, for one business day or a substantial part of one business day on which the exchange is open for trading; or
- any adverse change or disruption occurs to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, Hong Kong, Singapore, the United Kingdom or the United States of America.

An Underwriter may terminate the Underwriting Agreement in respect of certain events only if, in its reasonable opinion, that event (a) has had, or is likely to have a material adverse effect on (i) the success, outcome or settlement of the Placement; (ii) the likely price at which the New Shares will trade on ASX; or (iii) on the ability of the Underwriters to settle the Placement; or (b) leads, or is likely to lead, to a contravention by, or liability of, an Underwriter or its affiliates under the Corporations Act or any applicable law. Termination by an Underwriter will discharge Liontown's obligation to pay that Underwriter any fees, costs, charges or expenses which have not accrued as at termination, but the termination of its obligations will not limit or prevent the exercise of any other rights or remedies which any of the parties may otherwise have.

For details of the fees payable to the Underwriters, see the Appendix 3B released to ASX on 19 October 2023.

Liontown also gives certain representations, warranties and undertakings to the Underwriters and an indemnity to the Underwriters and their respective affiliates subject to certain carve-outs.

# Appendix D International Offer Restrictions



# International Offer Restrictions



This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **Bermuda**

This document has not been registered or filed with any regulatory authority in Bermuda. The offering of the New Shares pursuant to this document to persons resident in Bermuda is not prohibited, provided such offering does not constitute the carrying on of business in Bermuda by any person.

## **Canada (British Columbia, Ontario and Quebec)**

New Shares are being offered only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

*Statutory rights of action for damages and rescission.* Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## **Cayman Islands**

The Company is not licensed to conduct investment business in the Cayman Islands by the Cayman Islands Monetary Authority and this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the Cayman Islands. The New Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

# International Offer Restrictions



## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This document has not been, and will not be, registered with or approved by Finanstilsynet (the Financial Supervisory Authority of Norway) and it does not constitute a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129) or the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, directly or indirectly, in Norway other than under circumstances that are exempted from the prospectus requirements under the Prospectus Regulation and the Norwegian Securities Trading Act. Any offering of New Shares in Norway is limited to persons who are "qualified investors" as defined in the Prospectus Regulation. Only such persons may receive this document and they may not distribute it or the information contained in it to any other person.



# International Offer Restrictions



## **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of securities in the Issuer, (ii) an "institutional investor" (as defined under Section 4A(1)(c) of the SFA) or (iii) an "accredited investor" (as defined in Section 4A(1)(a) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

This document is not intended to constitute an offer or solicitation to purchase or invest in the New Shares described herein. The New Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland but may be offered to individually approached professional investors as defined in article 4 of the Swiss Financial Services Act ("FinSA") and no application has been or will be made to admit the New Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in, into or from Switzerland.

Neither this document nor any other offering or marketing material relating to the offering of the New Shares has been or will be filed with or approved by any Swiss regulatory authority or any review body.

This document is personal to the recipient only and not for general circulation in Switzerland.

## **United Arab Emirates**

The New Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates other than in compliance with the laws of the United Arab Emirates governing the issue, offering and sale of securities. Further, this document does not constitute a public offer of securities in the United Arab Emirates and is not intended to be a public offer. This document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority. No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

# International Offer Restrictions



## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (as defined in Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act ("UK Prospectus Regulation")) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In particular, this document is being distributed only to, and is directed at, persons who are qualified investors (as specified above) (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "**relevant persons**"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold to, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the New Shares in the United States.

# Appendix E

## Other



# Appendix: Australian Hard Rock Resources

Mine	Ownership	Project Status	Resource (Mt)				Grade (%)	LCE (Mt) <sup>1</sup>	Source
			Measured	Indicated	Inferred	Total			
Greenbushes	TLEA <sup>2</sup> (51%), Albemarle (49%)	Production	0.7	238.7	108.0	347.4	1.50%	12.9	ASX Announcement (IGO): FY23 Mineral Resources and Ore Reserves Statement, 31 August 2023
Pilgangoora	Pilbara Minerals	Production	22.1	315.2	76.6	413.9	1.15%	11.8	ASX Announcement (PLS): Substantial Increase in Mineral Resource, 7 August 2023
Mt Holland	Wesfarmers (50%), SQM (50%)	DFS Complete	71.0	107.0	8.0	186.0	1.53%	7.0	Technical Report Summary – Mt. Holland Lithium Project, 25 April 2022
Wodgina	Mineral Resources (50%), Albemarle (50%)	Production	-	182.1	35.3	217.4	1.15%	6.2	ASX Announcement (MIN): Mineral Resources and Ore Reserve Update, 22 September 2023
Kathleen Valley	Liontown Resources	DFS Complete	20.0	109.0	27.0	156.0	1.40%	5.4	ASX Announcement (LTR): Annual Report to shareholders, 29 September 2023
Mt Marion	Mineral Resources (50%), Ganfeng Lithium (50%)	Production	-	42.4	22.4	64.8	1.42%	2.3	ASX Announcement (MIN): Mineral Resources and Ore Reserve Update, 22 September 2023
Manna	Global Lithium	Scoping Study Complete	-	20.2	15.8	36.0	1.13%	1.0	ASX Announcement (GL1): Manna Lithium Project Resource Grows, 26 July 2023
Finniss	Core Lithium	Production	6.8	12.4	11.3	30.6	1.31%	1.0	ASX Announcement (CXO): Annual Report to shareholders, 29 September 2023
Bald Hill	Alita Resources	Production	-	14.4	12.1	26.5	0.96%	0.6	ASX Announcement (A40): Explanatory Statement and Expert Report, 14 January 2020
Marble Bar	Global Lithium	Exploration	-	3.8	14.2	18.0	1.00%	0.4	ASX Announcement (GL1): Annual Report to shareholders, 29 September 2023
Mt Ida	Delta Lithium	Scoping Study in Progress	-	7.8	6.8	14.6	1.20%	0.4	ASX Announcement (DLI): Mt Ida Lithium Mineral Resource Estimate Update, 3 October 2023
Mt Cattlin	Allkem	Production	0.2	10.1	1.8	12.1	1.30%	0.4	ASX Announcement (AKE): Allkem confirms material growth profile underpinned by 40 Mt, 25 September 2023
Buldania	Liontown Resources	Exploration	-	9.1	5.9	15.0	1.00%	0.4	ASX Announcement (LTR): Annual Report to shareholders, 29 September 2023
Pioneer Dome	Essential Metals	Scoping Study Complete	-	8.5	2.6	11.1	1.16%	0.3	ASX Announcement (ESS): Development Update - Pioneer Dome Lithium Project, 5 September 2023

Source: Company filings as at 6 October 2023

<sup>1</sup> LCE equivalent based on conversion factor of 2.473<sup>2</sup> Tianqi Lithium Energy Australia (49% IGO / 51% Tianqi Lithium)



# Appendix: Glossary

<b>ESG</b>	Environmental, Social and Governance	<b>ROM</b>	Run of mine
<b>Li<sub>2</sub>O</b>	Lithium oxide	<b>SC6</b>	Spodumene concentrate 6% Li <sub>2</sub> O
<b>GM</b>	General manager	<b>SMP</b>	Structural Mechanical Piping
<b>IRMA</b>	Initiative for Responsible Mining Assurance	<b>TSF</b>	Tailing storage facilities
<b>JV</b>	Joint venture	<b>Ta<sub>2</sub>O<sub>5</sub></b>	Tantalum Oxide
<b>LCE</b>	Lithium Carbonate Equivalent	<b>UG mining</b>	Underground mining
<b>LTI</b>	Lost time injury	<b>US IRA</b>	United States of America Inflation Reduction Act of 2022
<b>Mt</b>	Mega tonne		
<b>Mtpa</b>	Millions of tonnes per annum		
<b>MW</b>	Megawatts		



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