

30 November 2023

## 2023 AGM Chair Address and Presentation

Liontown Resources Limited (ASX:LTR) ("**Liontown**" or the "**Company**") is pleased to provide a copy of the Chair Address and the Managing Director's Presentation to shareholders which will be presented at the Liontown Annual General Meeting today.

This announcement has been approved for release by the Managing Director, Mr Tony Ottaviano.

### Further Information

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### About Liontown Resources

Liontown Resources (ASX:LTR) is an emerging Tier-1 battery minerals producer. Our aim is to be an ESG leader and a globally significant provider of battery minerals for the rapidly growing clean energy market. As we transition from explorer to producer, we are committed to incorporating the right approach and foundation from the outset and ESG principles underpin all decisions. We currently control two major lithium deposits in Western Australia and aim to expand our portfolio through exploration, partnerships and acquisitions. In addition, we look to participate in downstream value-adding where control of the deposit provides a strong competitive advantage. To learn more, please visit: [www.ltresources.com.au](http://www.ltresources.com.au)

### Forward Looking Statements

This announcement contains forward-looking statements (including as it relate to capital costs) which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are considered reasonable. Such forward-looking statements (including as it relates to capital costs and operating costs) are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law or the ASX listing rules.

## Chair Address

Fellow shareholders, it is a great pleasure to report on what has been an extraordinary year for Liontown.

In January, we started mining and stockpiling ore at Kathleen Valley and major works started on the process plant. We are now more than 60 percent through construction, all major contracts have been awarded, and almost 100 percent of project capital costs committed. We are on schedule for first production from Kathleen Valley in mid-2024.

This year has seen no shortage of reminders as to the quality of Kathleen Valley and its strategic value as one of the world's highest-quality hard rock lithium deposits, in one of the most politically stable and mining-friendly jurisdictions.

Our most recent reminder was securing a landmark debt package. The debt package included commitments from the big four Australian commercial banks, two well-known international banks and two government agencies - Export Finance Australia and the Clean Energy Finance Corporation. This demonstration of support from commercial and government financial institutions further validates our project.

At the same time as completing the debt package, we completed a \$365 dollar placement to Australian and International institutions. We are now fully funded with enough headroom to take us through to first production and beyond.

In March this year, we revealed that Albemarle Corporation had approached us three times with non-binding, conditional takeover proposals, first offering \$2.20, then \$2.35 and then \$2.50 a share.

Having attracted the interest of the world's largest lithium producer, your Board determined that the offers undervalued Liontown and, therefore, were not in the best interest of shareholders.

However, in September, Albemarle tabled a fourth non-binding, conditional proposal of \$3 per share. After careful consideration, your Board agreed to grant Albemarle the opportunity to conduct due diligence to enable it to progress a binding proposal.

We had every intention of endorsing the binding proposal once it was presented. We were prepared to work with Albemarle to secure shareholder approval for the proposed Scheme of Arrangement. At \$3 per share, it was well above the previous offers. It represented a 97 percent premium to Liontown's share price prior to the disclosure date of their earlier offers in March.

During the due diligence period, Hancock Prospecting emerged with 19.9 percent of Liontown through strong on-market buying. This is a stake that had the potential to block the proposed scheme.

At the end of the due diligence period, Albemarle withdrew its offer, citing growing complexities with executing the transaction.

So now here we are, looking at an independent future once more. A position we are entirely comfortable with. We had done all the preparation for the debt and equity package and were able to execute promptly following Albemarle's withdrawal. With funding locked in, we are in a position to complete the construction of the Kathleen Valley project.

While dealing with the interest in our Company at a corporate level, I am proud to say that we did not take our eye off the ball at Kathleen Valley. It is a huge credit to Tony and his team that the project remains on schedule for first production mid-next year.

Recently, we have seen a fall in lithium prices. In our view, markets appear heavily focused on short-term price weakness linked with a Chinese destocking cycle.

During financial year 2023, the price of spodumene concentrate averaged a very healthy US\$6,482 per tonne. It finished the period at a 12-month low of US\$3,750 US a tonne. Since then, it has fallen further to around US\$1,590 a tonne<sup>1</sup>.

With an expected ten-year average C1 cash cost at Kathleen Valley of AU\$651 per tonne, or roughly US\$475 per tonne<sup>2</sup>, it still provides a healthy margin.

What we've all got to remember is that the lithium market is in its early stages. Short-term price fluctuations are inevitable and can be influenced by multiple factors.

Battery storage and electric vehicle demand is still robust, and they are the key drivers of long-term lithium demand. The supply response from lithium producers and new entrants to market will take time. We can expect there will be volatility throughout the cycle. Shorter-term investors may not remember the lithium price drop in 2019 due to a supply glut, before rebounding to new highs.

We are confident that the long-term lithium fundamentals remain strong, supported by the unrelenting global push towards electrification. I saw this firsthand on a trip to the United States in February. We visited the electric vehicle factories of our major customers, Tesla and Ford, and met with investors and US government policy makers. They are all working to drive the massive expansion of global battery supply chains.

Alongside our commitment to bring Kathleen Valley into production is our commitment to ESG.

During FY23, we established a Sustainability and Risk Committee at Board level to oversee our risk management framework and sustainability practices. Chaired by Adrienne Parker, this committee bolsters the Board's commitment to ensure that sustainability and risk are integrated into our strategy and business decisions.

We are serious about developing natural resources responsibly. You cannot miss the size of the 95-megawatt solar-wind-battery-and-gas hybrid power station we are building at Kathleen Valley.

Looking inwardly, in 2022, we set a target of 30 per cent female representation on our Board by June 2024. I am pleased to report that, with the appointment of Adrienne Parker to our Board in October last year, we are now at 29 percent.

During the last financial year, our workforce grew by 273 per cent, and we have achieved 31 percent female representation. This is pretty good for our industry and our stage of growth. We know there is room for improvement and have initiatives in place. Our gender diversity plan will ensure that there is equal opportunity for all as we grow. There's a lot of interest in working for Liontown and we are attracting a high-calibre, diverse team.

In preparing for start-up at Kathleen Valley, a lot of work has gone into developing the systems and procedures. We will be operationally ready for production. I am confident the team is on schedule and tracking well as we transition from construction through to production in the year ahead.

In closing, I'd like to take the opportunity to thank the Tjiwarl native title holders and the Leinster and Geraldton communities. We are very grateful for their support and for working with us to keep on schedule.

I am also indebted to my fellow Directors. It has been a remarkably demanding year for our company. Their unwavering support and invaluable guidance have navigated us through challenges with wisdom, fortitude and a collective commitment to act in the best interests of all our shareholders.

This brings me to an announcement that we made earlier today about upcoming changes to our board.

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<sup>1</sup> Fastmarkets spodumene index at time of publication

<sup>2</sup> Based on an exchange rate of US\$0.73

After nearly 10 years, Anthony Cipriano has decided to step down from the board at the end of December. When Anthony joined us in 2014, he arrived with a reputation as a distinguished and impressive leader in all aspects of corporate transactions on both a national and international level. As a small outfit back then, we were lucky to get him.

He leaves us with all the acclaim he deserves for the leadership, expertise and guidance he has provided to Liontown that has helped us on our way to becoming a world-class battery materials producer.

During the last 10 years, I've not only appreciated Anthony's counsel, but he has also become a good friend. On behalf of Liontown, I thank him and wish him all the very best in his retirement from Liontown.

We also announced today that Ian Wells will join us, effective 1 January 2024. Mr Wells is a highly respected and very experienced leader, with extensive experience in various finance functions and industries, including bulk mining, port, rail and energy infrastructure. He is a great addition to the board as we complete construction of Kathleen Valley and transition into operations.

On behalf of the board, I also thank the executive team and all our employees, contractors and advisers for their efforts in navigating the challenges that have been thrown at us during year - and for keeping up the construction momentum at Kathleen Valley.

I also reserve a special debt of gratitude for all 32,000 Liontown shareholders. We are privileged to have such an engaged and supportive shareholder base. For me, the most rewarding part of Liontown's success over recent years has been sharing our successes with you.

I am as committed to the Company as ever. I hope you will continue the journey with us as we head into production next year and beyond.

Thank you.