

22 January 2024

Project and Funding Update

Liontown Resources Limited (ASX : LTR) (Liontown or the Company) confirms that the Kathleen Valley Lithium Project (Kathleen Valley or the Project) remains on-track for first production in the middle of this calendar year and the Company remains focused on delivering to that schedule and on budget.

The recent material decline in spodumene prices has triggered significant reductions in short and medium-term lithium price forecasts. As a result, the Company has commenced a review of the planned expansion and associated ramp-up of Kathleen Valley to preserve capital and reduce the near-term funding requirements of the Project ("Project Review").

The Project Review includes examining options to defer the timing of the previously announced 4 million tonne per annum underground development work, sequencing adjustments to the mine plan, and scope for additional cost optimisations. There is no change to the 3 million tonne per annum plant capacity design which the Company is currently constructing.

On 19 October 2023, the Company announced that it had signed a commitment letter and credit approved term sheet with a syndicate of lenders for a A\$760 million debt funding package, subject to the parties agreeing formal documentation and other customary conditions precedent.¹ The finalisation of the debt package has been impacted by recent reductions in the independent forecast pricing for spodumene upon which the lenders' credit approvals were based.² Accordingly, the Company has now commenced discussions on a revised, smaller debt facility that will reflect the Project Review. As a result, the commitment letter announced on 19 October 2023 will terminate.

The Company has been advised by lenders within the syndicate that they remain highly supportive of the Project.

Liontown has approximately \$515 million cash at bank at 31 December 2023, having now fully drawn the A\$300 million project funding package secured from Ford. This is expected to fund construction activities required for first production in the middle of 2024.

The Company expects to be able to provide a funding update by the end of the March 2024 quarter.

Liontown remains confident in the long-term outlook of the lithium market and Kathleen Valley's status as a Tier 1 long-life producer.

The Company advises that an investor and media teleconference will be held on **Monday 22 January 2024 at 11am AEDT / 8am AWST**. A recording of the teleconference will be available [here](#) on Tuesday 23 January 2024.

Participants can register by accessing this link: <https://s1.c-conf.com/diamondpass/10036473-lu788f.html>

This announcement has been approved for release by the Board of Liontown.

¹ LTR ASX Announcement 19 October 2023 "Kathleen Valley Funding Package".

² Wood Mackenzie's *Global Lithium Market Investment Horizon Outlook Q4 2023* for forecast spot spodumene pricing was up to 60% lower than the previous forecast contained in its *Global Lithium Market Investment Horizon Outlook Q3 2023*.

Further Information

Investors

Shaan Beccarelli
 Principal Investor Relations, Liontown
 T: +61 455 559 553
 E: sbeccarelli@ltresources.com.au

Media

Luke Forrestal
 GRA Partners
 T: +61 411 479 144
 E: luke.forrestal@grapartners.com.au

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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

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.