

# June 2022 Quarterly Report

## ASX Announcement

28/07/2022

Completion of offtake commitments, finalisation of funding facility and Final Investment Decision paves way for commencement of construction at the world-class Kathleen Valley Lithium Project in Western Australia

## Highlights

### *Kathleen Valley Project Development*

- With high-calibre foundational offtake agreements in place with Ford, Tesla and LG Energy Solution, and financing commitments secured, the Liontown Board made the Final Investment Decision (**FID**) to proceed to develop Kathleen Valley.
- Accommodation village design, build and construction awarded to ADD Business Group, with building manufacture and site installation works commencing during the quarter.
- Front-end Engineering and Design (**FEED**) activities continued with a focus on advancing detailed design for the crushing and milling process areas.
- Procurement packages substantially advanced including the award of 75% of long-lead process equipment (by value).
- In preparation for project delivery, several key packages (including the engineering, procurement, construction management (**EPCM**), Power Purchase Agreement, freight logistics, bulk earthworks and open cut mining services) were progressed with the Company intending to award a series of major contracts to established and high-quality contractors.
- Subsequent to quarter end, the Company appointed leading engineering firm Lycopodium Minerals Pty Ltd (**Lycopodium**) to complete the EPCM and commissioning services for the Project.

### *Environmental, Social and Governance*

- During the Quarter, the Company continued to work towards achieving its key ESG commitments.
- Key activities during the quarter included the start of a self-assessment of the Company's performance against the Initiative for Responsible Mining Assurance (IRMA) Standard, foundational work to support Liontown's Task Force on Climate-Related Financial Disclosures (TCFD) commitments and the engagement of a consultant to undertake the decarbonisation pathway for Kathleen Valley.

### *Permitting and Heritage*

- Ministerial consent was granted under Section 18(3) of the Aboriginal Heritage Act 1972 for the development of Kathleen Valley. The consent reflects Liontown's ongoing consultation and strong relationship with the Tjiwarl Traditional Owners and enables several other required permits to progress through to approval.

- Construction activities for the Accommodation Village commenced following receipt of approval for a Small Operations Mining Proposal.
- Mining Proposal (MP), Mine Closure Plans (MCP) and Native Vegetation Clearing Permits (NVCP) and Works Approval (WA) were pursued and are progressing with relevant Government departments throughout the quarter. All required primary regulatory approvals/ permitting for project construction and operation have now been submitted.
- Positive ongoing engagement with the Tjiwarl Traditional Owners continued during the quarter, including the inaugural Relationship Committee Meeting, ongoing review of key heritage and environmental applications by the Tjiwarl and inclusion of the Tjiwarl in the procurement and tender process.

#### *Offtake*

- During the Quarter, the Company completed its offtake commitments with the execution of its third and final foundational offtake agreement with the leading global automaker, Ford Motor Company (**Ford**). The definitive binding full-form offtake agreement executed with Ford is for the supply of up to 150,000 dry metric tonnes (**DMT**) per annum of SC6.0 spodumene concentrate (**SC6.0**) with an initial term of 5 years from the commencement of commercial production.
- In April 2022, Liontown completed negotiations and executed its first definitive full form Offtake Agreement with South Korean-based LGES for the supply of 100,000 DMT of SC6.0 in the first year, increasing to 150,000 DMT per year in subsequent years.
- In June, Liontown formalised arrangements with leading electric vehicle manufacturer Tesla, executing the definitive full-form Offtake Agreement. Tesla will purchase 100,000 DMT of SC6.0 in the first year of operations, increasing to 150,000 DMT per annum in years two to five.
- Liontown's total offtake commitments now stand at up to 450,000 DMT per annum of spodumene concentrate, representing approximately 90% of Kathleen Valley's start-up SC6.0 production capacity of ~500ktpa.

#### *Financing*

- In late June, the Company executed a binding full-form funding facility agreement (**Funding Facility**) with Ford for a A\$300 million debt facility.
- The Funding Facility, together with the A\$463 million raised by Liontown in December 2021, means that Liontown has now secured commitments for the required funds to support the full development of the Project through to first production.
- The senior-secured Funding Facility has a 5-year maturity from supply commencement date and interest is payable at the Bank Bill Swap Rate (BBSW) plus a fixed margin of 1.5%.

#### *Corporate*

- Highly experienced mining engineer Shane McLeay joined the Board as an Independent Non-Executive Director on 3 May 2022. Mr McLeay's expertise in underground mining and in adopting innovative, technology-led solutions will be extremely valuable during the development and operational phases of the Kathleen Valley Project.
- Subsequent to quarter-end, Steven Chadwick announced his retirement as a Non-Executive Director of the Company. Mr Chadwick has played an instrumental role in the Company's growth and success over the three-year period on the Company's Board and remains available to consult back to the Company.
- Cash balances and funds on deposit as at 30 June 2022 of A\$453 million.

## Management Overview

Liontown's Managing Director and CEO Tony Ottaviano commented:

*"Notwithstanding the volatility we have seen at the macro level in global financial and commodity markets in recent months, the June Quarter was a significant period of positive activity and progress for Liontown which has paved the way for the start of construction of Australia's next major lithium mining and processing operation."*

*"The signing of a definitive binding offtake agreement with leading global auto manufacturer Ford, together with an associated funding facility, was a huge milestone for Liontown. Coming on the back of the recent offtake agreements with Tesla and LG Energy Solutions, this marked the completion of our offtake strategy – with binding commitments now in place with Tier-1 counter-parties for up to 450,000 DMT of SC6.0 production capacity."*

*"The seamless execution of this strategy, together with the financing secured from Ford and our strong cash balance, allowed the Board to announce a Final Investment Decision, paving the way for the start of construction. Our development team continued to make strong progress with engineering and design activities, and we also progressed major procurement packages with 75% of long-lead process equipment items by value now awarded and several major work packages well advanced. Subsequent to quarter-end, we announced the appointment of Lycopodium as our EPCM partner for the Kathleen Valley Project, building on a long-standing partnership that has been in place since 2018."*

*"After receiving Section 18 Ministerial Consent for the development of Kathleen Valley during the quarter – which reflects our strong relationship with the Tjiwarl Traditional Owners – we are now in a position to progress a number of other key permits through to approval. Construction activities for the new Dragonfly Accommodation Village commenced towards the end of the quarter and we expect to see a substantial ramp-up in activity on site over the next few months."*

This announcement has been authorised for release by the Board.



TONY OTTAVIANO  
Managing Director

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## Kathleen Valley Lithium Project

The Kathleen Valley Lithium Project (**Kathleen Valley** or the **Project**) is located in Western Australia, ~680km north-east of Perth and ~350km north-north-west of Kalgoorlie, within the Eastern Goldfields of the Archaean Yilgarn Craton (**Figure 1**). Liontown commenced work at Kathleen Valley in 2017 and has since defined a world-class Mineral Resource Estimate of **156Mt @ 1.4% Li<sub>2</sub>O and 130ppm Ta<sub>2</sub>O<sub>5</sub>** and completed a Definitive Feasibility Study (DFS) which has confirmed the potential for a long-life, standalone mining and processing operation.

The DFS examined the establishment of an initial 2.5Mtpa mining and whole-of-ore flotation (WOF) processing operation delivering an annual steady-state 511ktpa of spodumene concentrate at a grade of 6% Li<sub>2</sub>O (SC6.0) and 428tpa of 30% tantalum concentrate (inclusive off-site upgrade) at full production.

Production will expand to 4Mtpa during Year 6, allowing production to scale-up to a peak production of over 700ktpa of SC6.0 and 587tpa of 30% tantalum concentrate.

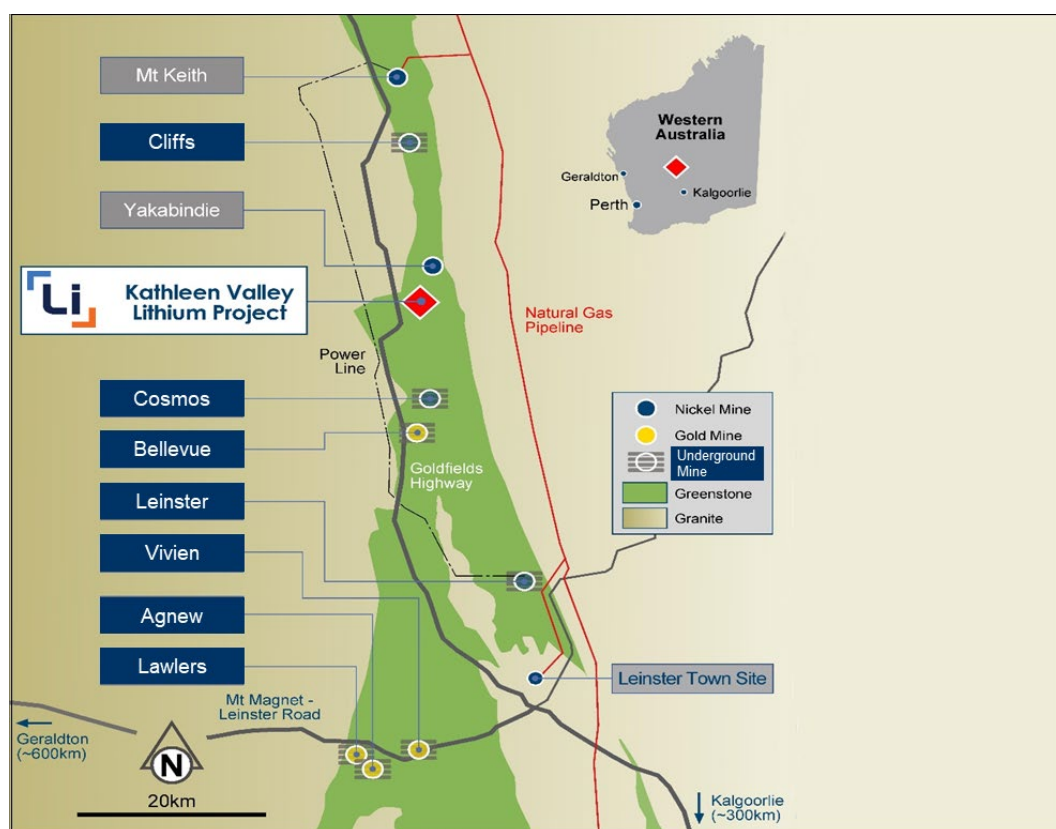


Figure 1: Kathleen Valley Lithium Project – Location and Geology Plan

### Final Investment Decision

In June, the Company's Board endorsed the full development of Kathleen Valley. The Final Investment Decision (FID) followed execution of the third and final foundational offtake agreement, together with a A\$300 million debt facility (**Funding Facility**), with leading global automaker, Ford Motor Company (**Ford**).

Liontown's offtake commitments (representing approximately 90% of Kathleen Valley's start-up SC6.0 production capacity of ~500ktpa), together with the Funding Facility and the proceeds from Liontown's A\$463 million capital raise in December 2021, supported the Board's decision to endorse the immediate commencement of Project execution.

In preparation for project delivery, the Company continued to progress a series of major contracts (including EPCM, Power Purchase Agreement, freight logistics, bulk earthworks and open cut mining services) with established and high-quality contractors. Work has also progressed across the construction scope and procurement is advancing for the remaining project activities in line with the development plan.

The Company has already awarded approximately 75% by value of mechanical equipment long-lead items to high-quality vendors, awarding total process plant and non-process infrastructure packages with an estimated value of A\$103 million. This will ensure that the Project remains on schedule.

As part of the process of securing the balance of funding required for Kathleen Valley and Front-End Engineering Design (FEED) activities, further work was undertaken to finalise the engineering of the process plant and complete a value engineering exercise to optimise scope across the process plant design.

This work, undertaken in anticipation of making a FID for the Project, refined the capital cost estimate. Further work is continuing to optimise underground mine designs and surface layout ahead of the commencement of mining in 2023.

As part of optimising the FEED scope, Liontown revised its 2021 DFS pre-production capital cost estimate (including capitalised pre-production expenses) from A\$473 million to A\$545 million. The increase was driven primarily by optimisation and expansion of the FEED scope across a range of areas and by general cost escalation.

The variations to the FEED scope will improve the Project's operational flexibility and include adjustments that, while increasing capital, are expected to deliver positive improvements on the Project's process control and operating costs over the life of the Project. Importantly, after accounting for these increases, the revised capital cost estimate remains consistent with the +/-15% tolerance for accuracy included in the Project's 2021 DFS capital cost estimates.

The Funding Facility and the proceeds from Liontown's A\$463 million capital raise in December 2021, provide for working capital of A\$93 million<sup>1</sup> to support start-up and operational requirements, A\$54 million<sup>2</sup> to support corporate and exploration costs to first production and up to A\$81 million<sup>3</sup> in available remaining funding.

The Company continues to tender and award major construction, equipment and operational work packages and consequently the estimates above remain subject to further revision in the future.

Subsequent to the end of the Quarter, Liontown awarded the EPCM Contract for Kathleen Valley to Lycopodium Minerals Pty Ltd, a subsidiary of Lycopodium Limited (**Lycopodium**). The appointment of Lycopodium followed its successful completion of the engineering services for the DFS in November 2021 and agreement of key commercial terms.

Lycopodium will provide the engineering design, procurement of equipment and materials, construction management, pre-operational testing and commissioning services for the processing facilities and associated non-process infrastructure at Kathleen Valley.

## Mining

A 25,000m grade control in-fill drilling program across both planned open pits commenced during the quarter and remained in progress at the end of June. Drilling is spaced on an approximate 16x24m grid at Mt Mann "Open Pit 1" and 10x24m grid at Kathleen's Corner "Open Pit 2". The program was approximately 50% complete at the end of the quarter, with 219 holes completed for approximately 12,500m.

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<sup>1</sup> Estimate based on the current schedule and scope

<sup>2</sup> Estimate based on the current schedule and scope

<sup>3</sup> Estimate based on the current schedule and scope



The grade control drill hole geology and assays received to date correlate with the resource geology model and the resource block model.

The program will be completed during the September quarter, after which grade control modelling will be completed ahead of the start of mining.

The Company began assembling an in-house mining team, with General Manager – Mining Operational Readiness and Principal Mining Engineer roles filled, with the new candidates commencing during the quarter.

Tender submissions were received from contractors for the open pit mining contract and evaluation of submissions was in progress at the end of the quarter. Technical reviews of both the open pit and underground mine plan were initiated during the quarter, focusing on mining execution readiness.

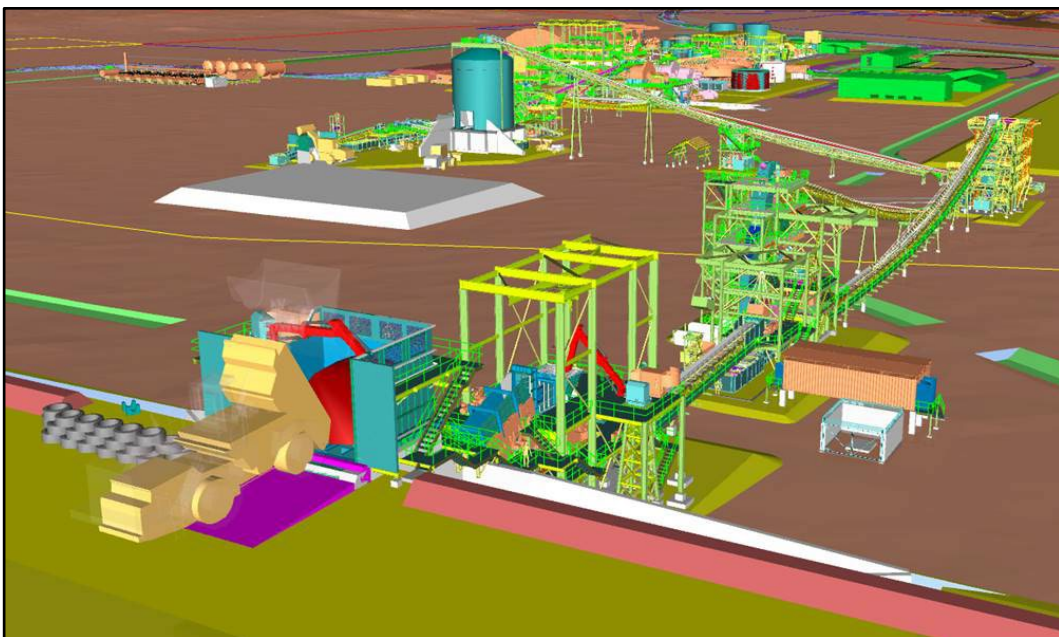
### Front-End Engineering & Design (FEED)

Liontown completed basic engineering to confirm the scope and duty of key long-lead items. Detailed engineering continues, with key elements progressed during the June Quarter including:

- Design progressed in line with the project priorities including:
  - Procurement of long lead process equipment.
  - Initial development of the Process Design Criteria and piping and instrumentation diagrams to support hazard and operability reviews.
  - Earthworks and roads drawings.
  - Engineering of all large tanks completed.
  - Ongoing design review on an area-by-area basis to review progress from an operability and maintainability perspective.
- Advanced detailed design with particular focus on the crushing and milling processing areas given their criticality (refer **Figure 2** and **Figure 3**).



*Figure 2: Updated layout incorporating optimisations that were decided on as part of the FEED works.*



*Figure 3: Design progressed to inform material quantities and allow rates-based tender for structural steel and platework.*

#### Procurement Packages (Equipment)

All critical, long-lead, mechanical equipment (representing 75% of mechanical equipment by value) has been ordered with Liontown securing delivery dates that meet the Project's requirements.

Engineering design of the SAG mill is progressing with MO Group advising that mechanical and electrical designs are 100% and 96% complete respectively. Manufacturing activities are progressing on schedule; the shell plate has arrived at the workshop and fabrication of the body is progressing.

28 purchase orders and contracts have been awarded to date with an additional 18 tenders received and under evaluation. The Project's procurement focus now shifts to the remainder of the procurement packages that will be issued for tender, in line with the design progress.

### Contracts

The critical contracts of Transport and Logistics and Bulk Earthworks tenders were received this quarter and will be awarded in the September Quarter, securing two critical partners for the Project.

Tender submissions were received during the period for the following key contract packages:

- Bulk Earthworks; and
- Onshore and Offshore Transport and Logistics;
- Steel Framed Buildings;
- Concrete Supply;
- LNG Gas supply; and
- Hybrid power station (with a minimal renewable penetration rate of 60%).

Review and evaluation of these submissions is progressing in line with schedule requirements.

Tender submissions were sought during the period for the Modular Building Supply & Install package.

### Construction

Following the award of the Accommodation Village contract, the design and layout was finalised and procurement to support the manufacture ramped-up quickly. Site works commenced in June following approval of a Small Operations Mining Proposal. The layout design of the 407-person camp has been driven by a key story that is important to the Tjiwarl Traditional Owners. The first 80 rooms are expected to be ready for use in early Q4 2022.

Temporary construction infrastructure including an on-site camp has been established to support the commencement of construction (refer **Figure 4** and **Figure 5**).



*Figure 4: Accommodation Village site works commence.*





*Figure 5: Temporary construction services established at Kathleen Valley.*

### Kathleen Valley Exploration

A series of four, wide spaced (~400m apart) reconnaissance style, deep diamond holes were completed during the quarter for approximately 3,900m, including:

- A single hole underneath the main resource area (KVDD0078) to test for a repeat of the flat lying lodes; and
- Three holes to the west of the resource (KVDD0079-81) to test the down dip continuity of the Mt Mann feeder dyke between 400-600m down dip.

Pegmatites have been intersected in all four holes to date, ranging from 10-15m thick. Field observations indicate weaker spodumene content within the pegmatites, however, assays are still pending and are expected to be received during the current quarter.

The Company was successful in applying for partial co-funding of this program under the Exploration Incentive Scheme.

### Groundwater Exploration

During the quarter, Liontown progressed groundwater exploration activities for Kathleen Valley. The Company has already defined sufficient high-quality water for project commencement at 2.5 Mtpa but continues to explore for the anticipated expansion to 4 Mtpa in 2029. As such, it has identified multiple new targets on its tenements and in the region for drilling in the September quarter, with activity including:

- Applied for numerous water exploration tenements and potential pipeline corridors surrounding the Project site;
- Negotiated multiple access agreements with regional neighbours and traditional owners to enable water exploration activities to expand beyond the Project tenements;
- Organised additional heritage surveys and artifact recovery with Tjiwarl AC per granted Section 18 to facilitate exploration and drilling activities; and
- Planned program of 10 exploration water bores in September/ December quarters.

### Environmental, Social and Governance

Having released its inaugural Environmental, Social and Governance (ESG) Report in November 2021, Liontown has been working toward achieving its commitments:

- The Company has continued to undertake a self-assessment of its performance against the Initiative for Responsible Mining Assurance (IRMA) Standard. IRMA provides a third-party certification and verification against a comprehensive standard which includes environmental and social responsibility, business integrity and planning for positive legacies. Liontown expects to complete the self-assessment in the current quarter.
- Foundational work has continued to support Liontown's Task Force on Climate-Related Financial Disclosures (TCFD) commitments; and
- Decarbonisation analysis has commenced to support Liontown's net zero aspirations and strategy development.

The Company expects to issue a 2021/22 Environmental, Social and Governance (ESG) Report in the September Quarter.

### Environmental Permitting

The Company continued to progress the permitting and approvals to support the development of Kathleen Valley.

During the quarter, the Company submitted the application for the 5C Licence for water extraction with the Department of Water and Environmental Regulation (DWER).

In May, Ministerial consent was granted under Section 18(3) of the Aboriginal Heritage Act 1972 for the development of Kathleen Valley. The consent reflects the ongoing consultation and relationship with the Tjiwarl Traditional Owners and enables a number of other required permits to progress through to approval.

A Small Operations Mining Proposal was also approved in June enabling the commencement of construction activities for the Accommodation Village.

The following key Environmental and Heritage approvals continued to progress through the approvals process to support the development of the Project, including:

- Mining Proposal and Mine Closure Plan;
- Works Approval; and
- Native Vegetation Clearing Permit.

All required primary regulatory approvals/permitting for project construction and operation have now been submitted.

Outstanding applications, including the Application to Construct or Install an Apparatus for the Treatment of Sewage Recycled Water Management Plan, will be submitted to local government in the September Quarter.

### Native Title and Heritage

Following the signing the Native Title Agreement in November 2021, Liontown and Tjiwarl have continued to build a respectful and collaborative relationship. Liontown has worked closely with the Tjiwarl throughout the design phase to ensure culturally significant sites are protected and where disturbance is unavoidable a Section 18 approval has been sought and received.

All key environmental permits and heritage applications have been provided to the Tjiwarl for review and prior to submission to the various regulatory authorities with input included in submissions.

Positive ongoing engagement with the Tjiwarl Traditional Owners continued during the quarter, including quarterly Native Title Agreement (NTA) compliance reporting, inaugural Relationship Committee Meeting, site visit, ongoing review of key heritage and environmental applications by the Tjiwarl and inclusion of the Tjiwarl in the procurement and tender process.

The majority of key heritage surveys have already been undertaken to support the NTA for the development of the Kathleen Valley Project and further works are being undertaken in compliance with the Cultural Heritage Management Plan for the purposes of water exploration. It is anticipated that the remaining survey efforts will be completed in Q3, 2022.

## Offtake

During the Quarter, the Company completed its offtake commitments with the execution of its third and final foundational offtake agreement with leading global automaker, Ford.

Liontown's offtake strategy for Kathleen Valley was to target three large foundation agreements whilst retaining some capacity to sell into the rapidly growing spot market. The Company received very strong interest from a range of parties in long-term offtake from Kathleen Valley, culminating in the execution of offtake agreements with LG Energy Solution (LGES), Tesla and Ford.

The Company executed its first definitive full form Offtake Agreement with LGES in April for the supply of spodumene concentrate from Kathleen Valley on terms consistent with the offtake terms sheet detailed in the ASX announcement on 12 January 2022. The Agreement with LGES provides for the supply of up to 150,000 dry metric tonnes (DMT) per annum of SC6.0 spodumene concentrate (SC6.0) produced at Kathleen Valley. The initial 5-year term is expected to commence in 2024 and may be extended for a further five years by mutual agreement.

LGES is a major EV battery supplier for leading global automakers and is continuing to rapidly expand its business amid growing demand for lithium-ion batteries from the EV sector globally.

In June, Liontown formalised arrangements with leading electric vehicle manufacturer Tesla, executing the definitive full-form Offtake Agreement on terms consistent with the offtake terms sheet detailed in the ASX announcement on 16 February 2022. Tesla will purchase 100,000 DMT of SC6.0 in the first year of operations, increasing to 150,000 DMT per annum in years two to five.

In late June, the Company also executed a definitive binding full-form Offtake Agreement with leading global automaker Ford Motor Company. Supply to Ford is expected to commence in 2024, with volumes of 75,000 DMT of SC6.0 in year one of operations, increasing to 125,000 DMT in year two and 150,000 DMT for years three to five of the initial five-year term. The Supply Term may be extended for a further 5 years by mutual agreement.

Together the arrangements with LGES, Tesla and Ford mean that Liontown's total offtake commitments now stand at up to 450,000 DMT per annum of SC6.0, representing approximately 90% of Kathleen Valley's start-up SC6.0 production capacity of ~500ktpa. The remaining production from Kathleen Valley is intended to be retained for spot volume sales and/or discrete offtake agreements.

## COVID-19

Liontown is committed to maintaining a safe environment for its employees, contractors, visitors and the communities in which it works. The Company has implemented a range of measures in response to Covid-19 to ensure the health and safety of its people and to enable the continuation of its activities without interruption where possible.

Liontown continues to monitor Government advice in relation to Covid-19 to update existing protocols.

## Buldanía

Liontown has been actively exploring the Buldanía Project since early 2018 after acquiring 100% of the rights to lithium and related metals from Avoca Resources Pty Ltd (a wholly-owned subsidiary of Karora Resources).

Work by Liontown initially focused on the spodumene-bearing Anna pegmatite, partially delineated by previous nickel and gold explorers, with drilling by the Company subsequently defining a maiden Indicated and Inferred Mineral Resource Estimate (MRE) of 15Mt @ 1.0% Li<sub>2</sub>O, containing 140,000t of Li<sub>2</sub>O.

During the quarter, a detailed litho-geochemical review was completed on all of the available Buldanía drill and surface data. This identified a number of untested areas with significant potential for mineralised pegmatites, both within the Anna and Northwest areas (refer **Figure 6**).

Further targeting is underway with a view to drill testing these targets in Q4, 2022 including diamond drilling to undertake metallurgical testwork. No on-ground exploration was completed at Buldanía during the quarter.

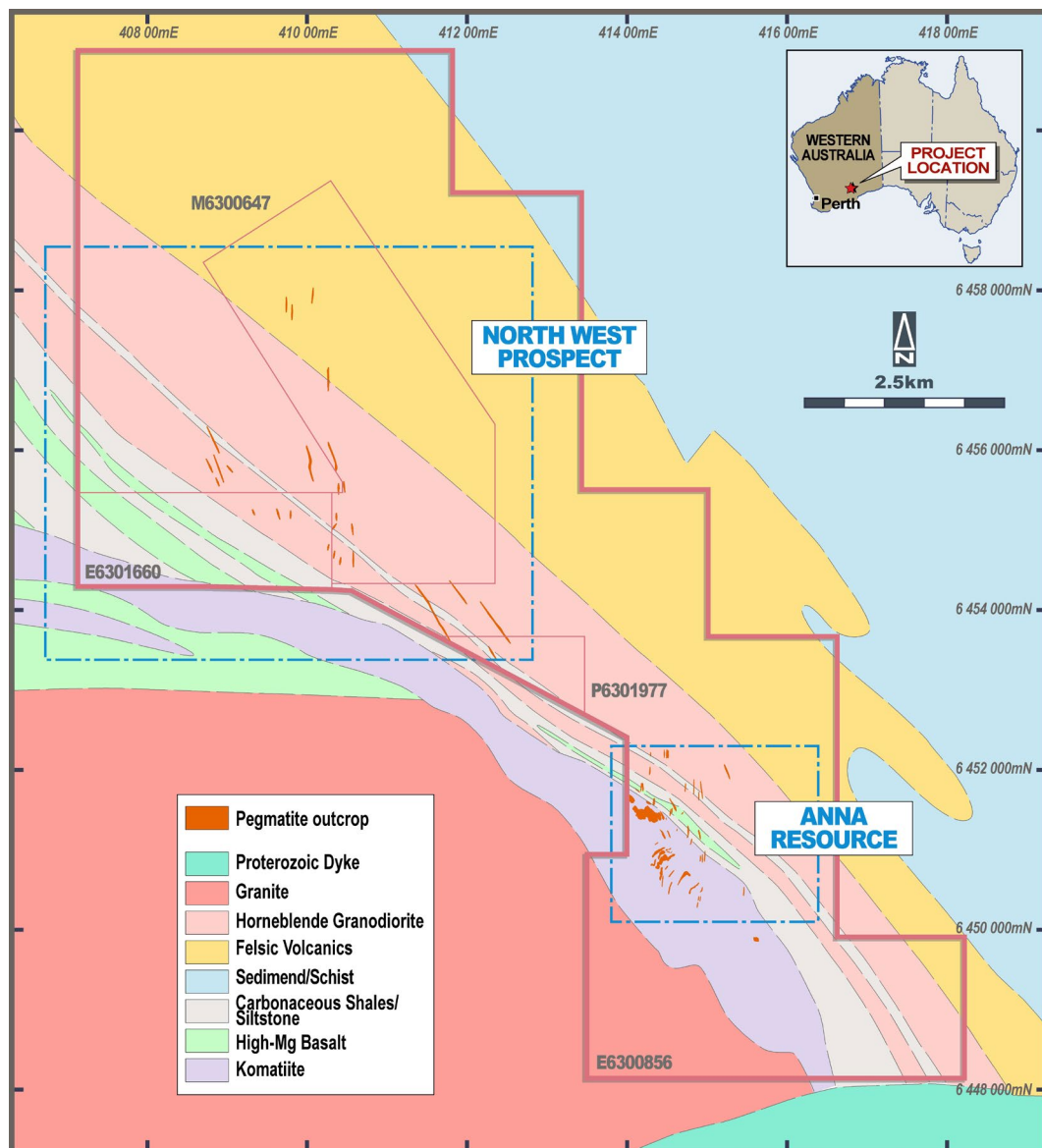


Figure 6: Buldanía Lithium Project: local geology interpretation.



## Tenement Schedules and expenditure

In accordance with ASX Listing Rule 5.3, please refer to Appendix 2 for a listing of tenements. During the Quarter the Company spent \$1,139,000 on exploration and evaluation activities (YTD: \$39,386,000 including \$30,250,000 for Kathleen Valley royalty cancellation payment) and \$2,269,000 on administration costs (YTD: \$7,545,000).

Payments reported in Appendix 5B, Section 6.1 and 6.2, relate to Directors' fees, consulting fees and salaries paid to Director related parties and amounts paid to Minerals 260 for transfer of employee leave entitlements and other ongoing recharges.

## Financing

In late June, the Company executed a binding full-form funding facility agreement (**Funding Facility**) with a Ford subsidiary, for a A\$300 million debt facility to Liontown, with the proceeds to be used towards partially funding the development costs of Kathleen Valley. The Funding Facility, together with the A\$463 million raised by Liontown in December 2021, means that Liontown has now secured commitments for the required funds to support the full development of the Project through to first production.

The Funding Facility is a senior-secured debt facility with a 5-year maturity from supply commencement date. Interest is payable at the Bank Bill Swap Rate (BBSW) plus a fixed margin of 1.5%, with repayments quarterly from the supply commencement date, including a balloon repayment on maturity.

## Corporate

### Board Changes

On 3 May 2022, the Company appointed Shane McLeay as an Independent Non-Executive Director. The appointment further strengthened the depth and capability of the Liontown Board while also bringing a fresh perspective, helping to ensure that the Company continues to embrace industry-leading innovation in advancing the development of Kathleen Valley.

Mr McLeay is a highly respected mining engineer and senior manager in the resource sector with over 25 years' experience. He has a strong track record in starting up and operating mines of varying scale, with a skill-set that includes project management, building highly capable teams and overseeing operational ramp-up to steady-state production.

His expertise in underground mining and in adopting innovative, technology-led solutions will be extremely valuable during the development and operational phases of the Kathleen Valley Project.

Subsequent to quarter-end, Steven Chadwick announced his retirement from the Company's Board, effective from 4 July 2022. Mr Chadwick, who is one of Australia's most highly regarded senior mining executives, joined the Liontown Board in January 2019 and has played an instrumental role in the Company's growth and success over the past three years.

Mr Chadwick's retirement followed the Board's endorsement of the Final Investment Decision (FID) to progress development of the Kathleen Valley Lithium Project (refer ASX Announcement 29 June 2022). Mr Chadwick remains available to consult back to the Company.

### Cash Position

At the end of the Quarter, Liontown's cash balance was \$453 million.

# Appendix 1

## Competent Person Statements

The Information in this Report that relates to Exploration Results, Mineral Resources and Metallurgical Test Work 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.ltresources.com.au](http://www.ltresources.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.

The Information in this Report that relates to Production Target and DFS for the Kathleen Valley Project is extracted from the ASX announcement “Kathleen Valley DFS confirms Tier-1 global lithium project with outstanding economics and sector-leading sustainability credentials” released on 11 November 2021 which is available on [www.ltresources.com.au](http://www.ltresources.com.au).

The Information in this Report 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 8 November 2019 which is available on [www.ltresources.com.au](http://www.ltresources.com.au).

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

Resource category	Million tonnes	Li <sub>2</sub> O %
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

As detailed in the ASX announcement “Liontown Board approves development of Kathleen Valley Lithium Project” released on 29 June 2022, as part of the Final Investment Decision, the capital expenditure budget for the Kathleen Valley Project was increased to \$545 million. The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcements and the updated capital expenditure budget referenced in the announcement dated 29 June 2022 and that all material assumptions and technical parameters underpinning the estimates or production targets or forecast financial information derived from a production target (as applicable) in the relevant market announcements continue to apply and have not materially changed. The Company 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.

## Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

## Appendix 2

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter.

### 1. Listing of tenements held in Australia (directly or beneficially):

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Kathleen Valley	M36/264	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - nickel claw back rights retained by other party
		M36/265		
		M36/459		
		M36/460		
		M36/696	Liontown Resources Limited	100%
		E36/879	Liontown Resources Limited	100% - all metal rights
		L36/236	LRL (Aust) Pty Ltd	100%
		L36/237		
		L36/0255		
		L36/0256		
		G36/0052		0% - pending application
		L36/248		
		L36/250		
		L36/251		
		L53/253		
		L53/254		
		L53/255		
		L53/256		
		L36/0261		
		L36/0262		
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		L36/0265		
		L36/0266		
		L36/0267		
		L36/0268		
		L53/0266		
		L53/0267		
	Buldania	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
		P63/1977		
		M63/647		0% - pending application
		M63/676		

Country	Project	Tenement No.	Registered Holder	Nature of interests
		E63/1660	LRL (Aust) Pty Ltd	100%
		E63/2165	LRL (Aust) Pty Ltd	0% - pending application
	Toolebuc <sup>(1)</sup>	EPM26490	Liontown Resources Limited	100%
		EPM26491		
		EPM26492		
		EPM26494		
		EPM26495		
	Monjebup	E70/6042	LBM (Aust) Pty Ltd	100% - pending application
		E70/6043		
		E70/6044		

Note (1) – Conditional agreement to divest the Toolebuc Project entered during the December 2021 Quarter.

2. Listing of tenements acquired (directly or beneficially) during the quarter:

Nil

3. Tenements relinquished, reduced or lapsed (directly or beneficially) during the quarter:

Nil

4. Listing of tenements applied for (directly or beneficially) during the quarter:

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Kathleen Valley	L36/0261	LRL (Aust) Pty Ltd	0% - pending application
		L36/0262		
		L36/0263		
		L53/0263		
		L53/0264		
		L53/0265		
		L36/0264		
		L36/0265		
		L36/0266		
		L36/0267		
		L36/0268		
		L53/0266		
		L53/0267		



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Liontown Resources Ltd

ABN

39 118 153 825

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) exploration & evaluation <sup>1</sup>	(1,139)	(39,386)	
(b) development	-	-	
(c) production	-	-	
(d) staff costs	(1,239)	(3,934)	
(e) administration and corporate costs	(1,030)	(3,611)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	697	783	
1.5 Interest and other costs of finance paid	(4)	(18)	
1.6 Income taxes paid	-	-	
1.7 Government grants and tax incentives	-	-	
1.8 Other (Business Development) <sup>2</sup>	(1,345)	(2,144)	
Other (Corporate Recharges) <sup>3</sup>	428	1,286	
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,632)</b>	<b>(47,024)</b>	
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire or for:			
(a) entities	-	-	
(b) tenements	-	-	
(c) property, plant and equipment	(68)	(395)	
(d) exploration & evaluation	-	-	
(e) investments	-	-	

<sup>1</sup>YTD includes payment to Ramelius Resources Limited of \$30.025m for cancellation of a Kathleen Valley royalty.

<sup>2</sup>Relates to Business Development costs including offtake and financing activities.

<sup>3</sup>Includes receipts for recharge of costs associated with Minerals 260 demerger, IPO, project expenditure and other ongoing corporate recharges.

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
	(f) other non-current assets – mine properties in development <sup>4</sup>	(9,801)	(12,879)
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)*		
	- Minerals 260 demerger and IPO	-	(680)
	- Term deposits (net)	435,000	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>425,131</b>	<b>(13,954)</b>

<sup>4</sup> Includes costs associated with the development of the Kathleen Valley Project

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	514,902
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,993
3.4	Transaction costs related to issues of equity securities or convertible debt securities	329	(15,319)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings <sup>5</sup>	(18)	(67)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>311</b>	<b>501,509</b>

<sup>5</sup> Interest relating to lease liabilities

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	31,266	12,545
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,632)	(47,024)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	425,131	(13,954)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	311	501,509
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>453,076</b>	<b>453,076</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	453,076	31,266
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>453,076</b>	<b>31,266</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	308
6.2	Aggregate amount of payments to related parties and their associates included in item 2	17
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities <sup>6</sup>	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<sup>6</sup> On 29 June 2022 Lontown executed a Funding Facility with a Ford subsidiary (see ASX announcement " <i>Lontown executes Binding Offtake Agreement with Ford</i> " on 29 June 2022). The senior-secured debt facility of A\$300 million has an interest rate of BBSW + 1.5% and a maturity date of 5 years from supply commencement date. The facility has security over the Kathleen Valley project assets and shares in the borrower (a wholly owned subsidiary of Lontown Resources Limited). The facility is subject to ordinary conditions precedent which are within Lontown's control. The facility was not available for use at 30 June 2022.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,632)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,632)
8.4	Cash and cash equivalents at quarter end (item 4.6)	453,076
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	453,076
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	125.0
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not Applicable	



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....28 July 2022.....

Authorised by: .....By the board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.