



Chairman's Address to 2020 Annual General Meeting

Ladies and Gentlemen,

Thank you for joining us at Liontown's Annual General Meeting.

I am pleased to report that 2020 has been an incredibly busy and successful year for your Company.

Over the last 12 months, we have hit a number of key milestones and made excellent progress towards achieving our primary objective of becoming a significant next-generation Australian lithium producer.

Our flagship 100%-owned Kathleen Valley Project in Western Australia has been confirmed as one of the most valuable hard rock lithium deposits globally following the release of an updated Pre-Feasibility Study in October, which supports a 2 million tonne per annum mine with a 40-year mine life.

The optimised PFS delivered significantly stronger economics for the Project compared with the initial December 2019 Study, increasing the Net Present Value to \$1.12 billion, the Internal Rate of Return to 37% and the Life-of-Mine free cash flow to \$4.8 billion.

Hard on the heels of the updated PFS, Liontown also released a scoping study for the integrated downstream processing of Kathleen Valley spodumene concentrate into higher-value battery-grade precursor products – namely, either lithium hydroxide or lithium sulphate.

The initial economic metrics of an integrated downstream processing option appear compelling, and further studies are proposed.

The next step for Kathleen Valley is to complete a Definitive Feasibility Study on the upstream component by the end of 2021. This study, which is already underway, will explore further significant value enhancements including doubling plant throughput and potentially producing a higher grade spodumene concentrate (>6.5% Li₂O).

With the proposed development of Kathleen Valley as a standalone mining and processing operation, Liontown is poised to be one of the next generation of hard rock lithium producers aligned with the forecast resurgence of the lithium-ion battery sector.

There is also strong potential for further lithium discoveries within Liontown's large land position at Buldania, which is largely unexplored for lithium outside of the Anna deposit.

Together, the total combined Mineral Resources at Kathleen Valley and Buldania represent the world's 4th largest hard rock (spodumene) lithium resource base by ownership – which is a tangible measure of the potential value of the Projects and a clear illustration of just how far we have come as a company over the past three years.

Market commentators are broadly positive on the outlook for lithium – particularly given the ongoing global shift towards EVs from large auto-makers. Only last week, the UK announced that it was bringing forward the proposed ban on the sale of Internal Combustion cars by five years, to 2030.

We have also recently defined some very exciting targets at our early stage Moora Gold-PGE-Ni-Cu Project, located north-northeast of Perth in the same geological terrane as Chalice’s world-class Julimar PGE-nickel-copper discovery.

At Moora – where field work only commenced in early May – highly anomalous gold-PGE-nickel-copper geochemistry, superimposed on large magnetic and gravity features, together with the results of a recently completed airborne electro-magnetic survey, suggest that we have the potential to unearth something of interest with our maiden drill program (which is now imminent).

The initial results generated from early-stage exploration indicate an analogous geological setting to the Julimar Project, and we are looking forward with great anticipation to what this next phase of exploration can deliver.

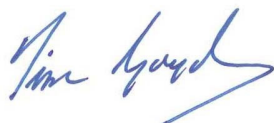
In November, Liontown completed an equity raising of \$12.5 million to fund completion of the DFS, to evaluate value-adding opportunities at Kathleen Valley and to fund exploration at Moora. This puts the Company in a solid financial position and creates a platform for further growth.

Our focus for the year ahead is to complete the DFS and further studies into the downstream processing of spodumene concentrate into lithium hydroxide or lithium sulphate. Now that the PFS is complete, we will look to broaden the awareness of the Project and the Company to the wider market, including OEMs and downstream processors.

In conclusion, I would like to thank our management team, particularly our CEO, David Richards, and our COO, Adam Smits, my fellow directors and the Company’s employees and contractors for their hard work over the past year.

I would also like to thank our shareholders for their continued and valued support.

As Chairman and a major shareholder, I am confident that Liontown has an extremely bright future ahead of it as the EV revolution gains momentum and we work hard to unlock the full value of the world-class asset we have at Kathleen Valley.



Tim Goyder
Chairman

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FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements 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 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.

COMPETENT PERSON STATEMENT

The Information in this announcement that relates to Ore Reserves, Production Target and Pre-Feasibility Study (PFS) for the Kathleen Valley Project is extracted from the ASX announcement "Updated Kathleen Valley Pre-Feasibility Study delivers substantial increase in NPV to A\$1.1 billion and mine life to ~40 years" released on 9th October 2020 which is available on www.ltresources.com.au

The Information in this announcement that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Kathleen Valley confirmed as a world-class lithium deposit as Mineral Resource increases to 156Mt @ 1.4% Li₂O" released on the 11th May 2020 which is available on www.ltresources.com.au.

The information in this announcement that relates to the downstream scoping study (DSS) is extracted from the ASX announcement "Downstream Scoping Study: Kathleen Valley Lithium-Tantalum Project" released on 22 October 2020 which is available on www.ltresources.com.au

The information in this announcement that relates to Exploration Results for the Moora Project is extracted from the ASX announcements "Initial phase of exploration completed at 100%-owned Moora Nickel Project, located north-east of Perth in Western Australia", "Strong gold, PGE, nickel and copper anomalism returned from initial fieldwork completed at 100%-owned Moora Project, WA", "Further outstanding gold, PGE and nickel results from 100%-owned Moora Project, WA" and "Large, strong EM conductors identified at the Moora Project, WA" released on 16th April 2020, 13th May 2020, 13th July 2020 and 24th September 2020 which are available on www.ltresources.com.au

The Information in this announcement 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 8th November 2019 which is available on www.ltresources.com.au

The information in this report that relates to Liontown having the world's 4th largest hard rock (spodumene) lithium resource base by ownership is extracted from the ASX announcement "Company Presentation - November 2020" released on 10th November 2020 which is available on www.ltresources.com.au.

The Company 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 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.