

Mining Proposal and Works Approval Paves Way for Start of Construction and Mining at Kathleen Valley

ASX Announcement

03/10/2022

Approval of the Mining Proposal and Works Approval by the Western Australian (WA) Government for a 4Mtpa operation at the Kathleen Valley Lithium Project marks a major milestone for the Project, allowing major site works to commence

Highlights

- The WA Department of Mines, Industry, Regulation and Safety (DMIRS) has approved the Mining Proposal and Mine Closure Plan for a 4Mtpa lithium and tantalum mining operation at Kathleen Valley.
- In addition, the WA Department of Water and Environmental Regulation (DWERS) has approved the Works Approval to enable Project construction and operations.
- Together with other key permits already received (Native Vegetation Clearance Permit and 5C Water Extraction Licence, in close collaboration with Tjiwarl Aboriginal Corporation RNTBC (Tjiwarl AC)), these now represent the final primary approvals required to commence major site construction works and subsequent mining activities.
- Construction of the mine and processing plant will now move into execution phase in line with the Company's development schedule, following the Final Investment Decision (FID) announced in June 2022.
- The ramp-up of major site works will leverage off strong progress achieved with early works to date, with 68 rooms for the Accommodation Village already delivered to site.
- Two-thirds of construction tenders for Kathleen Valley have now been issued and are being progressively awarded, with contracts for all key long-lead items already executed and manufacturing commenced, and a Letter of Award (LOA) issued to commence development of the 95MW Hybrid Power Station in partnership with Zenith Energy.

Liontown Resources Limited (ASX: LTR) (**Liontown** or the **Company**) is pleased to advise that it has achieved another key milestone in the development of its Kathleen Valley Lithium Project (**Kathleen Valley or Project**) in Western Australia with the approval of the Mining Proposal and Mine Closure Plan for the Project from the WA Department of Mines, Industry, Regulation and Safety (**DMIRS**).

The Mining Proposal approval, together with the associated but separate Works Approval issued by the WA Department of Water and Environmental Regulation (**DWER**) and other key permits which have already been received, represents the final primary approvals required for the commencement of major site works at Kathleen Valley, located 680km north-east of Perth and 60km north of Leinster.

Major site activities will now commence in line with the Company's development schedule, with construction expected to ramp up quickly over the remainder of 2022 and into 2023. Completion and commissioning is targeted by the end of Q2 2024.

The Kathleen Valley Project is one of the most significant new long-life lithium projects being constructed anywhere in the world. The initial 2.5Mtpa project will deliver 500ktpa of SC6.0 spodumene concentrate to global markets, with a planned expansion to 4Mtpa/700ktpa of spodumene concentrate within six years.

This will position Liontown to become a leading global lithium producer, delivering spodumene concentrate which is a critical input to the rapidly growing lithium-ion battery and electric vehicle industry worldwide.

The Kathleen Valley project is underpinned by a group of Tier-1 offtake customers including LG Energy Solution, Tesla and Ford.

Summary of Progress to Date:

Liontown has made significant progress with early construction works and pre-development activities at Kathleen Valley, with key milestones including:

- Preparation for clearing of the process plant site this week and mobilisation of batch plant commencing immediately following receipt of Mining Proposal and Works Approval.
- 68 rooms for the Accommodation Village have already been delivered to site, with more than 70%+ of the buried services for the 500-person camp already in place.
- Two-thirds of construction tenders for Kathleen Valley have been issued for quotation and are being progressively awarded, with contracts for all key long-lead items already executed and in manufacture or ready for shipment. Key recent awards include all switch rooms and concrete supply, with structural steel and platework for the processing plant imminent.
- A Letter of Award was issued in September to commence construction of the ground-breaking 95MW Hybrid Power Station in partnership with Zenith Energy.
- Appointment of key project personnel and strong interest in imminent mining roles is highly encouraging in the tough WA mining sector.
- Recommencement of site and regional water exploration with the first of two water bore drilling rigs on site.
- Completion of grade control drilling program for future open pit mining activities.

Management Comments

Liontown's Managing Director and CEO Tony Ottaviano commented:

"The receipt of approval for our Mining Proposal along with the Works Approval represents another major milestone for the Kathleen Valley Project. With all key enabling permits now in place, our development team can move ahead at full pace to begin major site construction activities. This is a very exciting time for everyone involved with the Company, and shareholders can look forward to steadily increasing news-flow in the weeks and months ahead as we move into the full-scale commercial development phase."

"I would like to take this opportunity to thank the WA Government, in particular the teams at DMIRS and DWERS, for working cooperatively with us to progress the process to enable construction of this world-class project on schedule. The ongoing engagement and support of the Tjiwarl has been pivotal through these processes. We look forward to delivering a world-class project to world-class standards and creating significant value for all our key stakeholders."

This announcement has been authorised for release by the Managing Director.

A handwritten signature in black ink, appearing to read "A. Ottaviano".

TONY OTTAVIANO
Managing Director

For More Information:

Investors:

Tony Ottaviano

Managing Director

T: +61 8 6186 4600

info@ltresources.com.au

Media Inquiries:

Rob Carruthers

Head of Corporate Affairs

T: +61 415 979 310

rcarruthers@ltresources.com.au

Competent Person Statement

The Information in this Announcement that relates to the Production Target 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.

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.



Fast charging towards
a low carbon future