

3 August 2023

Liontown moves forward with DSO opportunity

Liontown Resources Limited (ASX:LTR) (**Liontown** or the **Company**) is pleased to announce that the Company's Board has agreed to proceed with the delivery of Direct Shipping Ore (DSO) product to provide an early source of revenue ahead of first concentrate production at the Kathleen Valley Lithium Project.

Highlights

- DSO project sanctioned into execution, with contractor and equipment secured.
- Additional material liberated through mine plan optimisation, not previously expected to be processed.
- 70,000 tonnes of DSO material has been stockpiled to the end of July following commencement of mining operations at the Kathleens Corner and Mt Mann open pits in January 2023.
- Targeting early revenue with an initial sale of 250,000 to 300,000 tonnes of >1% grade DSO prior to first concentrate production.
- Customer engagement is well advanced, with first shipment targeted by end of calendar year 2023.

In January 2023, Liontown announced that mine plan optimisation work had identified the opportunity to liberate and potentially monetise additional material liberated from the revised mine plan, which was not a part of Ore Reserves and would otherwise be stockpiled. The Company commenced a study to determine the potential for early revenue from the sale of a DSO product.

Since mining operations commenced in Q1 2023, Liontown has stockpiled approximately 70,000 tonnes DSO product while undertaking a financial evaluation, conducting ore sorting test work and engaging prospective offtake customers. Ore sorting test work has achieved positive results and prospective customers have been provided bulk samples for their own test work. Commercial discussions with potential customers are well advanced. Liontown expects to sell 250,000 to 300,000 tonnes of DSO material prior to first concentrate production. Sales of DSO product post first concentrate production are subject to a separate business decision and market conditions at the time.

The economics of the DSO opportunity are compelling, with a substantial portion of mining costs for the DSO material already sunk as development capital. Accordingly, Liontown has executed a contract with Axis Mineral Services for the crushing, screening and sorting of the DSO material at Kathleen Valley, to commence in Q4 2023. The recent concentrate haulage contract with Qube Holdings Limited included the flexibility to transport the DSO product, providing the opportunity to establish and refine transport logistics well in advance of the first spodumene concentrate shipments from mid-2024.

In addition, the DSO crushing and sorting programme will provide crucial real technical data to assist in the design of a potential large-scale ore sorting circuit as part of the planned 4Mtpa circuit expansion.

Liontown continues to see robust demand for lithium from its customers, including automakers, battery producers, cathode suppliers and refiners and is aiming to take full advantage of the market demand for lithium DSO product, ahead of first production of spodumene concentrate from Kathleen Valley.

Liontown's Managing Director and CEO, Tony Ottaviano, said:

"Liontown's mining team has continued to optimise our mining plan, which has created the opportunity for early revenue through the sale of DSO. It illustrates the depth of our team and our commitment to realising the full potential of Kathleen Valley.

As a lithium producer in a Tier-1 jurisdiction we bring a distinct and reliable benefit to customers. Therefore, progressing with the production of DSO not only provides early revenue potential, but also enables us to de-risk the project by field testing our ore sorting and logistics solutions on a smaller scale ahead of first concentrate production mid-2024."

- ENDS -

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

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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

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