

### Kathleen Valley fully funded through to DFS after \$12.5m raising

#### HIGHLIGHTS

- Strongly supported \$12.5m placement (before costs) at \$0.23 per share to institutional and professional investors.
- Includes \$2.17m placement, also at \$0.23 per share, to Directors, subject to shareholder approval.
- Firm commitments received substantially in excess of the \$12.5m, indicating strong demand.
- Proceeds will be used to complete a Definitive Feasibility Study (DFS) and related activities at the 100%-owned Kathleen Valley Lithium-Tantalum Project in WA. The DFS will evaluate opportunities to further improve the financial metrics including:
  - Expanding Reserves and Resources;
  - Increasing the mining throughput rate;
  - Producing a premium spodumene concentrate grading >6.5% Li<sub>2</sub>O; and
  - Additional test work including confirming the viability to produce battery-grade products onsite.
- Proceeds will also be used to undertake initial drill testing of the Moora gold-PGE-nickel-copper project in WA, where initial exploration has defined a number of high-order geochemical anomalies. The Moora Project is located in the same geological terrane as Chalice Gold's Julimar discovery, ~95km to the south.

Liontown Resources Limited (**ASX: LTR**) ("**Liontown**" or the "**Company**") is pleased to announce that it has accepted firm commitments for a \$12.5 million capital raising ("**Capital Raising**") to underpin the continued advancement of its 100%-owned Kathleen Valley Lithium-Tantalum and Moora Gold-PGE-Nickel-Copper Projects in Western Australia.

Importantly, following completion of the Capital Raising, the Company's flagship Kathleen Valley Lithium-Tantalum Project will be fully funded through to completion of a DFS in Q4 2021, underpinning the next stage of its journey to become a significant second-generation Australian lithium-tantalum producer.

The strongly supported Capital Raising was undertaken at \$0.23 per share ("**New Share**") and comprises:

- A \$10.33 million placement via the issue of 44,923,913 New Shares to institutional and sophisticated investors within the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1; and
- A \$2.17 million placement via the issue of 9,423,913 New Shares to the Company's Directors (and their associates), subject to shareholder approval.

The issue price of \$0.23 per New Share represents a 13.2% discount to the last closing price of \$0.265 on Monday, 26<sup>th</sup> October 2020.

Liontown's Managing Director, David Richards said:

*"This placement further de-risks Liontown's development pathway and puts us in a great position to advance our high-quality Kathleen Valley Lithium-Tantalum Project rapidly towards completion of a DFS and project financing. The strong demand from investors is testament to the quality, grade, scale and location of the Kathleen Valley Project – which is now firmly established as Australia's fifth largest spodumene-lithium resource.*

*The majority of the funds raised will be allocated towards completing the Kathleen Valley DFS, including reviewing a number of opportunities to significantly enhance the financial metrics of the Project.*

*The proceeds will also allow us to advance our exploration programs in the new West Yilgarn Province, where we are looking forward to commencing drilling at the Moora Project to follow up on the exceptional gold-PGE-nickel-copper results generated from our early-stage exploration this year.*

*We are pleased to welcome a number of new institutional and sophisticated investors to our register. In addition, the placement enjoyed strong support from our existing shareholders for which we are grateful.*

*Liontown Directors are also supporting this capital raising, and have collectively applied for \$2.17 million, subject to shareholder approval. This sends a strong signal to investors about our confidence in the quality of these assets and the very bright future that we see for Liontown as we prepare to make the transition to developer and to mid-tier mining company."*

Settlement of the New Shares (excluding Directors and their associates or respective nominees) is scheduled to occur on Thursday, 5<sup>th</sup> November 2020 with allotment to occur Friday, 6<sup>th</sup> November 2020. Settlement of Directors (and their associates) New Shares will occur following shareholder approval.

Upon completion of the Capital Raising, the 54,347,826 New Shares will represent approximately 3.0% of the enlarged share capital of the Company, which will have 1,791,148,068 ordinary shares on issue.

Bell Potter Securities Limited and Bridge Street Capital Partners acted as joint lead managers and bookrunners to the Capital Raising.

This announcement has been authorised for release by the Board.



DAVID RICHARDS

Managing Director

29<sup>th</sup> October 2020

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### Forward-looking statements

*This report 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 report, 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 report 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 report, except where required by law or the ASX listing rules.*