

28 March 2023

Liontown Resources rejects Indicative Proposal from Albemarle

On 27 March 2023, Liontown Resources Limited, ("**Liontown**" or "the **Company**") received an unsolicited, conditional and non-binding indicative proposal from Albemarle Corporation ("**Albemarle**"), in which Albemarle would acquire all of the shares in Liontown at a price of \$2.50 per share via a scheme of arrangement ("**Indicative Proposal**").

Liontown has also recently become aware that RT Lithium Ltd, a subsidiary of Albemarle, has been building a stake in Liontown through on-market purchases. Based on the most recent share registry information available, RT Lithium now holds ~2.2% of Liontown's issued shares.

The Indicative Proposal was subject to a number of conditions before it would become binding, including Liontown providing exclusive due diligence to the satisfaction of Albemarle; the Liontown Board unanimously recommending the proposal; regulatory approvals, including competition approval; and entry into a mutually acceptable scheme implementation deed.

The Liontown Board and its advisers carefully considered the Indicative Proposal and unanimously determined that it substantially undervalues Liontown, and therefore is not in the best interests of shareholders. The Liontown Board has therefore rejected the Indicative Proposal. The Indicative Proposal followed careful consideration and rejection of earlier non-binding indicative proposals received from Albemarle at \$2.35 per share on 3 March 2023, and \$2.20 per share on 20 October 2022.

In coming to its decision, the Liontown Board noted the opportunistic timing of Albemarle's Indicative Proposal, coinciding with recent softness in companies exposed to the lithium sector and the pre-production status of the Kathleen Valley Project. In addition, the Board observed that the Indicative Proposal does not reflect:

- The significant de-risking that has occurred at the Kathleen Valley Lithium Project in recent months, with mining operations commencing, construction progressing to schedule and Liontown remaining on track to deliver first production in mid-2024
- Liontown's extensive growth optionality both at Kathleen Valley - including potential early revenue from Direct Shipping Ore ("**DSO**"), the recently announced 20% increase in plant throughput rate to 3Mtpa¹, the direct future downstream participation, and other expansion opportunities being explored - and its broader portfolio including Buldania
- The scarcity value of the Kathleen Valley Lithium Project - there are few other lithium assets of this scale, quality and mine life² this close to production in Australia, one of the most attractive mining jurisdictions in the world

¹ Refer ASX Announcement 20 January 2023 – Kathleen Valley Project Update

² 156 Mt at 1.4% Li₂O

- The positive near-term outlook for existing or new lithium producers, underpinned by a forecast growth in global lithium demand of 5x by 2030, with predicted supply deficit that is expected to deliver stronger lithium prices for longer³
- Significant synergies that would be available to Albemarle should it acquire Liontown, given its existing operations in Australia.

Liontown continues to progress a number of attractive funding options for the remaining capital at the Kathleen Valley Lithium Project and expects to update the market on this front in the near term.

The Liontown Board will keep shareholders and the market fully informed of further developments as appropriate. At this point, shareholders do not need to take further action.

Greenhill & Co. is acting as financial adviser and Allens as legal adviser to Liontown.

This announcement has been approved for release by the Board of Directors.

Further Information

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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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³ Based on 2030E lithium demand of 3.7 MMt LCE and 2030E mined supply of 2.9 MMT LCE, sourced from 2023 Strategic Update: Albemarle, 23/01/2023

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Competent Person Statement

The Information in this Announcement that relates to Mineral Resources 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.

Kathleen Valley Project – Mineral Resource Estimate as at April 2021

Resource category	Million tonnes	Li ₂ O %	Ta ₂ O ₅ ppm
Measured	20	1.3	145
Indicated	109	1.4	130
Inferred	27	1.3	113
Total	156	1.4	130

- Notes:
- Reported above a Li₂O cut-off grade of 0.55%.
 - Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

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 announcement and that all material assumptions and technical parameters underpinning the estimates 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 announcement.

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