

Quarterly Activities Report

For the period ended 31 March 2023

28 April 2023

Mining operations commenced at Kathleen Valley while construction progressed at pace on processing infrastructure, ROM pad, TSF and other mine site services. The Kathleen Valley Lithium Project remains on track for first production mid-2024.

Highlights

- Strong safety focus with no Lost-time Injuries recorded for the period
- Continued positive engagement with Tjiwarl traditional owners including data consolidation to update the Cultural Heritage Management Plan
- Mining activity commenced with first blast and 771,000 BCM of Total Material Movement on site
- Construction at Kathleen Valley continued at pace with a focus on earthworks, processing infrastructure foundations and delivery of pre-ordered critical path equipment progressing to site
- Rapid expansion of the Accommodation Village with 444 rooms now on site and dining hall commissioned
- Underground mining tender issued to market for award in the second half of 2023
- Ongoing optimisation identified opportunity to expand initial plant capacity and updated capital estimate reflecting scope changes and industry-wide cost escalation
- Large focus on detailed design completion and incorporation of throughput increase to 3 Mtpa
- DSO opportunity progressed with ore already being stockpiled, samples sent to potential customers and commercial discussions advancing
- Continuation of Buldania exploration program and Olympio farm-in executed
- Cash at bank of \$305.1 million and first draw down of Ford funding facility subsequent to the end of the quarter
- Liontown Board rejects unsolicited non-binding indicative proposal from Albemarle.

Liontown's Managing Director, Tony Ottaviano said:

"Liontown Resources enjoyed another highly productive quarter with many significant milestones achieved including commencement of mining activities, strong progress made on the construction of processing and mine infrastructure and over 345 employees and contractors mobilised on site.

"Our first blast was a major milestone, with both open pits at Kathleen's Corner and Mt Mann now taking shape as mining activities ramp up. The Project site is really coming together with the substantial ROM pad and TSF embankments being filled with waste material and the foundations of the key processing plant structures being poured. Other key elements of the Project, such as the hybrid power plant, have commenced and are progressing well.

*"Our team has also been busy with plant optimisation work following our earlier announcement to increase plant design throughput to 3 million tonnes per annum (**Mtpa**) and to progress the opportunity to potentially generate early revenue from Direct Shipping Ore (**DSO**) material outside of our Ore Reserves.*

"Following record highs in 2022, lithium prices have experienced headwinds in 2023 due to de-stocking of lithium products in China and heavy discounts on internal combustion vehicles ahead of the introduction of new emissions standards. However, the medium to long term outlook remains very attractive with structural supply deficits and ongoing robust demand for electric vehicles and battery storage devices.

"The Board, management and entire workforce remains focused on developing Kathleen Valley to its full potential, including realising early revenue from DSO, commencing production on schedule, the planned increase in plant throughput and accessing the value of downstream processing in the medium term."

Sustainability

Health and Safety

Health and Safety activities continued to progress with the following key activities undertaken:

- No Lost-time Injuries (**LTIs**) were recorded in the quarter;
- As construction and mining activity increases the site leadership team continues to reinforce a strong focus on safety and building a safety culture; and
- Kathleen Valley Crisis Management Team established, initial training undertaken, and interim fire truck delivered to site.

Environmental, Social and Governance

ESG activities were progressed including:

- Continued engagement with Tjiwarl traditional owners including updating the Cultural Heritage Management Plan;
- Drone survey technology utilised to conduct ecological surveys to assist with regulatory compliance and future permitting requirements;
- Quarterly Native Title Report submitted to Tjiwarl;
- Further work to evaluate climate risks on the Kathleen Valley project to support assessment under the Task Force on Climate Related Financial Disclosures (**TCFD**);
- Initial meeting of the Liontown Sustainability & Risk Committee, a sub-committee of the Board; and
- Updating key permits in line with site development and applying for additional tenure to support regional water exploration activities.

Kathleen Valley Project Optimisation

In January, the Company released a Project Update¹ announcing that the plant capacity design has been optimised to deliver a 20 per cent increase in the initial plant throughput rate to 3 Mtpa (up from 2.5 Mtpa), driving increased SC6.0 production to take advantage of strong short- and medium-term forecast lithium pricing.

As part of the mine optimisation work undertaken, the open pit mine design was further enhanced. The Kathleen's Corner pit will be expanded to produce more ore than assumed in the Definitive Feasibility Study (**DFS**) and the Mt Mann pit will be reduced to a large box-cut, which is completed prior to underground portal establishment and subsequent decline development.

The larger Kathleen's Corner open pit will result in more material being moved over the initial project period. The strong market conditions provide a potential opportunity to monetise material not previously expected to be processed as a DSO product and deliver early revenue during Kathleen Valley's pre- and post-commissioning phases.

Optimisations and scope adjustments, coupled with continued macro-level and industry-wide cost escalation, resulted in a revised capital estimate of \$895m to first production (including \$40m in contingency). Capital requirements will continue to be refined as remaining contracts are awarded and as part of the Company's ongoing optimisation program.

The Project remains on-track for first production in mid-2024, with prudent scope adjustments made early in the construction schedule to further de-risk and maintain this timing.

¹ ASX: 20 January 2023, Kathleen Valley Project Update

Kathleen Valley Mining Operations

Open Pit Mining

Early mobilisation of the Iron Mine Contracting (**IMC**) mining fleet in December 2022 enabled rapid commencement of open pit mining activity with the first blast fired on 31 January. Mining volumes continued to ramp up during the quarter with 771,000 Bulk Cubic Metres (**BCM**) Total Material Movement from both the Kathleen's Corner and Mt Mann open pits. A review of the open pit design was completed resulting in an enhanced pit size to support the ramp up and transition to underground ore sources as part of the increase in throughput from 2.5 Mtpa to 3.0 Mtpa.



Figure 1: First blast



Figure 2: Open pit mining commences

Mining at Mt Mann is creating the box cut which will become the portal for the Mt Mann underground mine with underground operations expected to commence in the December 2023 quarter. The underground mine plan was reviewed to support the creation of a five-year plan which was then used as the basis of the Underground Mining Services tender. The tender was issued in the quarter with the contract expected to be awarded early in the September quarter.

Following land clearance, IMC also commenced the construction of the Tailings Storage Facility (**TSF**) in the quarter using waste material hauled directly from mining operations to form the TSF embankments.



Figure 3: Formation of the Mt Mann box cut



Figure 4: Tailings storage facility

Direct Shipping Ore

The January Project Update¹ released included an identified opportunity to potentially monetise additional material liberated from the revised mine plan, which was not a part of Ore Reserves and would otherwise be stockpiled. Current market conditions present an attractive opportunity to bring forward the sale of this product as DSO ahead of first commercial production and deliver early revenue for the Company.

The study work for the DSO opportunity is progressing and, in parallel, commercial discussions with several prospective customers who have received product samples are underway. Initial engagement with potential crushing and sorting contractors to prepare the material for sale has commenced with transportation of the DSO product being integrated into the concentrate haulage tender. Ore is currently being stockpiled on site to support this program and associated ore sorting test work is planned for April.

Liontown expects to provide further updates on the DSO progress in the June quarter and, subject to financial evaluation and Board approval, is targeting first sales in the December 2023 quarter.

Kathleen Valley Project Development

Process plant infrastructure

Jagcor Civil Construction continued pouring foundations for the SAG mill, Fine Ore Bin and concentrate storage area during the quarter, with 2,017m³ (20 per cent) of structural concrete poured and major pours ramping up. The SAG mill, a critical path component, arrived at Fremantle Port and was transported to site subsequent to the end of the quarter.



Figure 5: Pouring of the Fine Ore Bin foundations



Figure 6: The SAG mill arrives at Fremantle Port

Construction of the Run-of-Mine (ROM) pad commenced and was substantially progressed in the quarter with approximately 500,000 BCM of waste material placed. When in operation, ore will be trucked to the ROM pad via a dedicated skyway and will be deposited in fingers to enable blending before entering the processing plant.



Figure 7: Run-of-Mine pad with primary crusher foundations



Figure 8: View of the Run-of-Mine pad and processing plant footprint

Grade Control Drilling

Grade Control models for the Mt Mann and Kathleen's Corner pit were received from Snowden Optiro. The variance between the Grade Control (GC) models and Mineral Resource Estimate (MRE) for both open pits was not material. Noted differences, however, reflect the higher density of drilling and better definition of lower grade material at contacts. Importantly, the strike and width of ore domains has remained consistent between the MRE and GC models.

An infill grade control program for the first vertical 100 metres of ore supply in the Mt Mann underground mine is planned to commence in the June quarter.

Early grade control drilling has enabled the Company to further optimise mining designs limiting potential dilution and improving ore cleanliness, a critical requirement to optimise process plant performance.

Contracts and Procurement

During the quarter, key outstanding construction contracts were progressed to support critical path engineering and materials purchasing. Key milestones included:

- The dry plant (crushing circuit) Structural Mechanical Piping (SMP) package was awarded and the wet plant (milling and flotation circuits) SMP package tender process was materially advanced;
- The electrical and instrumentation (E&I) package was issued for tender for both portions of the plant and is due for award in the June quarter;
- The tender processes for both the LNG Supply and Concentrate Transport were materially progressed with both contracts expected to be awarded in the June quarter;
- Contracts for Non-Process Infrastructure (offices/ buildings/ control room) associated with the processing plant were also awarded; and
- Strong progress was made in the structure steel fabrication contract with 81 per cent of all structural steel now under detailing and fabrication.

The Underground Mining Services tender was issued in the quarter and the contract is expected to be awarded in the September quarter.

Non-Process Infrastructure

Power

Mobilisation and early works on the 95MW hybrid power station progressed following the award of the Power Purchase Agreement (PPA) to Zenith Energy² in the December quarter. Fabrication of key equipment is on schedule and land clearance commenced for the 16MW solar PV array and the power plant.

Water Exploration, Permitting and Extraction Update

Water exploration has been completed in the tenure held by Liontown with engineering and development of infrastructure to pump and store water underway. To further complement the existing water supply, a regional water exploration program commenced on tenements west of the project area with a multi-rig program completing 14 holes out of 33 initial targets. Discussions with several neighbouring tenement holders for water extraction agreements continued to progress.

Accommodation Village

By quarter-end, 444 rooms of the permanent accommodation village were onsite and permanent kitchen and dining facilities were commissioned, supporting higher occupancy of on-site accommodation for Liontown employees and contractors.

Implementation of the accommodation village expansion to more than 660 rooms progressed to support increased peak workforce numbers on site during a period of tightening regional room availability and reflects the Company's commitment to preserve the construction schedule. Overall, the camp build remains on schedule and is 60 per cent complete.



Figure 9: "Dragonfly" accommodation village



Figure 10: Kathleen Valley dining room

Business Development

Exploration

Buldania

Liontown has been actively exploring the Buldania Project since early 2018 after acquiring 100 per cent of the rights to lithium and related metals. The Company initially focused on the spodumene-bearing Anna pegmatite, partially delineated by previous nickel and gold explorers, with drilling by the Company subsequently defining a maiden Indicated and Inferred Mineral Resource Estimate (MRE) of 15Mt @ 1.0% Li₂O.

² ASX: 20 December 2022, Liontown executes binding Power Purchase Agreement

Anna Resource Exploration

During the quarter, 34 reverse circulation (RC) drill holes and 21 diamond drill holes were completed for a total of 10,534 metres.

The initial focus targeted the shallow position of the north-eastern side of the current Anna Resource and along the western flank. Final assays remain outstanding but extensional mineralisation appears limited outside of the north-eastern area. An update will be provided on the Buldania exploration in due course.

Drilling activity in the later part of the quarter was focused at depth in the south-eastern region. Complete assays remain outstanding but geological logging indicates that the two continuous lenses of spodumene mineralisation at depth weaken to the southeast and do not appear mineralised at depth.

Following the completion of the southeast deep drilling, the drill rigs moved to the North-West Area to commence testing of regional targets at a 100 metre spaced cross section.

Further analysis of results from the drilling programme and ongoing activity at Buldania is being conducted.

Several other short diamond tails and close-out RC holes were drilled during the quarter to enable a more comprehensive and accurate mineralisation model to be developed for an update of the Buldania Mineral Resource estimate.

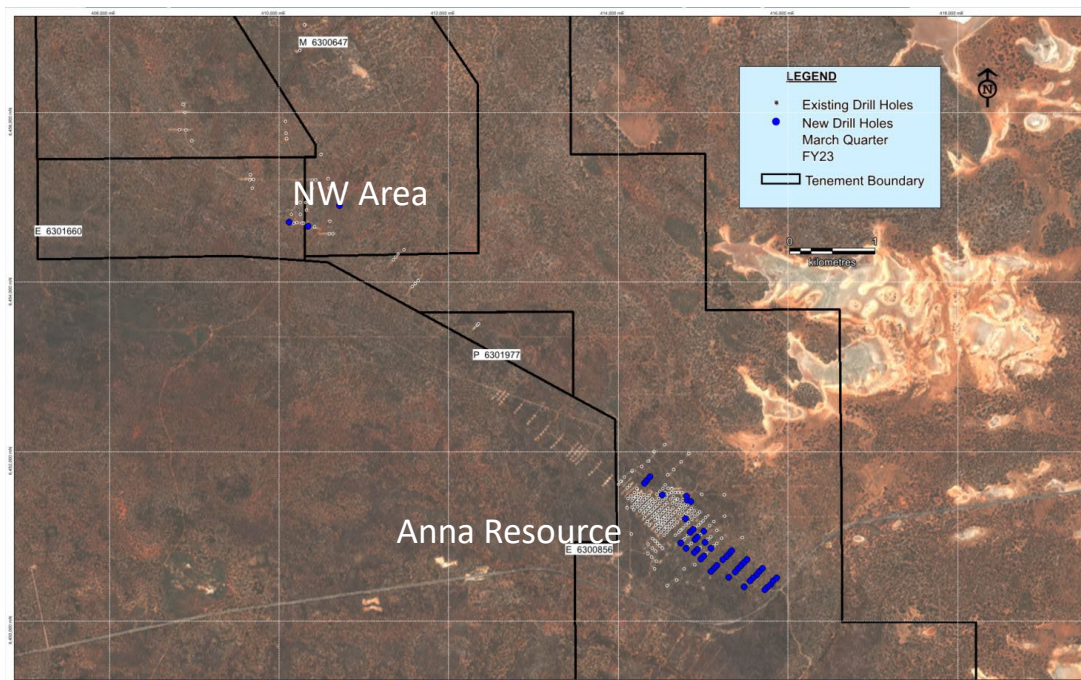


Figure 11: Buldania – aerial image of drill holes completed in the March 2023 quarter.

Kathleen Valley

No exploration work was undertaken at Kathleen Valley during the quarter.

Farm-ins

Subsequent to the end of the quarter, Liontown and Olympio Metals (ASX: OLY) announced a farm-in agreement for Olympio's Mulline and Mulwarrie lithium projects in the Eastern Goldfields of Western Australia.

Under the terms of the agreement, Liontown will complete 1,100 soil samples across the Projects and make an initial assessment before progressing to a possible Stage 1 earn-in. Liontown may elect to progress further investments within set time frames to increase its exposure to the Projects. Exploration work on the Projects will commence in the June quarter.

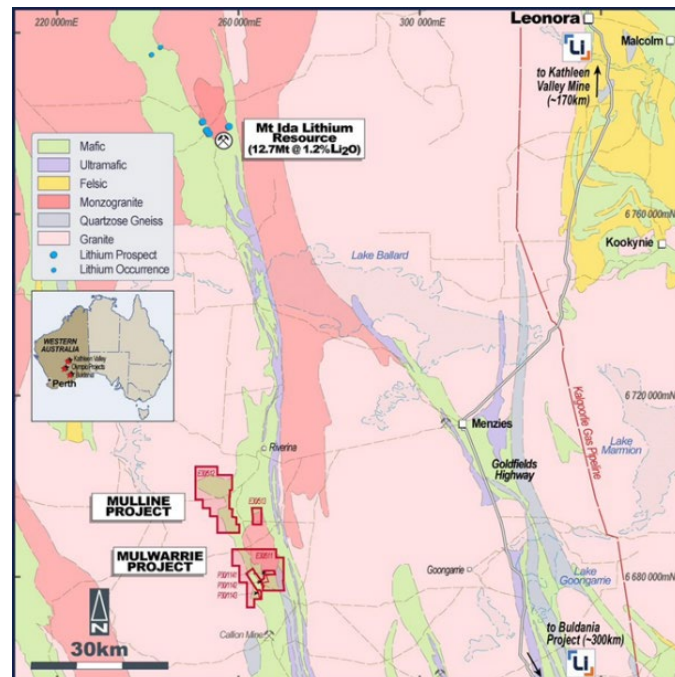


Figure 12: Mulline and Mulwarrie Project Location

Market Update

Lithium markets

Having reached record highs in late 2022, lithium prices came under pressure during the March quarter. Price declines were led by China, where widespread destocking of lithium products took place in the face of falling prices, exacerbated by aggressive discounts being offered on traditional internal combustion engine cars which do not comply with new emission standards taking effect from 1 July 2023.

While Chinese spot prices for lithium hydroxide declined by over 30 per cent during the quarter, international spot markets were less impacted, falling by around 25 per cent. Spot prices for spodumene, the product Liontown will produce, followed lithium hydroxide prices and were down in the quarter but have been well-supported at around the US\$5,000 per dry metric tonne level, reflecting continued tight supply/ demand dynamics. The medium to long-term outlook for Liontown lithium continues to be attractive, with consistent periods of supply deficits expected into the end of this decade. The Company continues to see robust demand from its customers, including automakers, battery producers, cathode suppliers and refiners, with geopolitical pressures and risks increasing the attractiveness of Australian lithium.

Electrification continues apace, with electric vehicle and stationary storage markets continuing to demonstrate year-on-year growth. This thematic drives demand for lithium well into the end of the decade and beyond as electric vehicles make up a larger portion of all new car sales.³ Stationary storage has surprised many this year in the scale of demand growth. Bloomberg New Energy Finance expect it to double year-on-year and grow around 35 per cent annually on average out to 2031. This fundamental shift towards electrification will drive strong demand for lithium, with expectations market demand will increase fivefold by 2030.⁴

³ Bloomberg New Energy Finance (BNEF) 2022 Report estimates from 8.7% in 2021 to 23% globally by 2025, and as much as 39% in China and Europe

⁴ 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

Market Engagement

Liontown's Chair, and Managing Director and CEO, undertook a market engagement visit to the United States of America in February. The visit included senior level discussions with major customers, Ford and Tesla, and tours of their respective manufacturing facilities, engagements with senior bureaucrats and policy makers in Washington DC, and culminated in the BMO Mining and Metals investor conference in Miami, Florida.

A representative from LG Energy Solution, the Company's other major foundation customer, also toured the Kathleen Valley Lithium Project in the quarter.

Corporate

Unsolicited non-binding indicative proposal from Albemarle

Late in the quarter, Liontown 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.⁵

After careful consideration, the Liontown Board rejected the Indicative Proposal, as it had for prior proposals, unanimously determining that it substantially undervalued Liontown and was not in the best interests of shareholders.

Liontown also became aware that RT Lithium Ltd, a subsidiary of Albemarle, had been building a stake in Liontown through on-market purchases. Based on the most recent share registry information available, RT Lithium now holds approximately 4.4 per cent of Liontown's issued shares.

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.

Chief Financial Officer

In April 2023, subsequent to the end of the quarter, the Company announced the appointment of Jon Latto as its Chief Financial Officer, having acted in the role since December 2022.

Tenement Schedules and expenditure

In accordance with ASX Listing Rule 5.3, refer to Appendix 3 for a listing of tenements. During the quarter, the Company spent A\$2.31 million on exploration and evaluation activities and A\$5.2 million on administration costs.

Payments reported in Appendix 5B, Section 6.1 and 6.2, relate to Directors' salaries and fees and consulting fees paid to Director related parties.

Cash Position

Subsequent to the end of the March quarter, Liontown completed first drawdown from the Ford Funding Facility,⁶ having satisfied all condition precedents, including spending over A\$100 million on Kathleen Valley. At the end of the March Quarter, Liontown's cash balance was A\$305.1 million and the Company has a \$300 million debt facility with Ford.

⁵ ASX: 28 March 2023, Liontown Resources rejects Indicative Proposal from Albemarle

⁶ ASX: 29 June 2022, Liontown executes Binding Offtake Agreement with Ford

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.

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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Appendix 1

Kathleen Valley Lithium Project Overview

The Kathleen Valley Lithium Project (**Kathleen Valley** or the **Project**) is located in Western Australia, approximately 680km north-east of Perth and 350km north-north-west of Kalgoorlie, within the Eastern Goldfields of the Archaean Yilgarn Craton (Figure 13). Liontown commenced work at Kathleen Valley in 2017 and has since defined a world-class Mineral Resource Estimate of **156Mt @ 1.4% Li₂O and 130ppm Ta₂O₅** and completed a DFS which has confirmed the potential for a long-life, standalone mining and processing operation.

Liontown's Board approved the full development of Kathleen Valley in June 2022. The Final Investment Decision (**FID**) followed execution of offtake agreements with LG Energy Solution, Tesla and Ford Motor Company (Ford), together with a A\$300 million debt facility with leading global automaker, Ford.

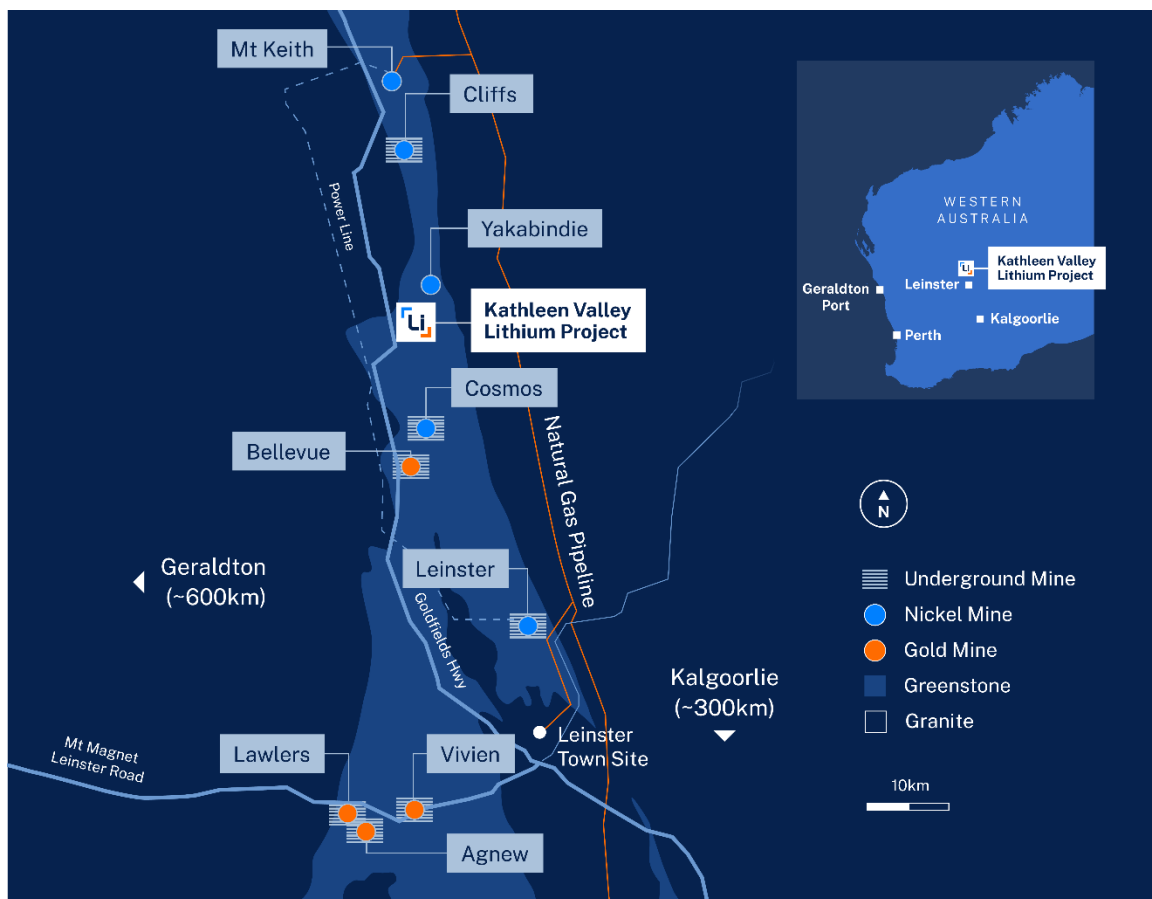


Figure 13: Kathleen Valley Lithium Project – Location and Geology Map

Appendix 2

Competent Person Statements

The Information in this Report that relates to Mineral Resources and Metallurgical Test Work 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. 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 announcement 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.

Kathleen Valley Project – Mineral Resource Estimate as at April 2021

Resource category	Tonnes (Million)	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 Information in this Report 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 8 November 2019 which is available on www.ltresources.com.au. 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 announcement 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.

Anna Deposit, Buldania Project – Mineral Resource as at October 2019

Resource category	Tonnes (Million)	Li ₂ O (%)
Indicated	9.1	1.0
Inferred	5.9	1.0
Total	15.0	1.0

- Notes:
- Reported above a Li₂O cut-off grade of 0.5%
 - Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate

Appendix 3

The following information is provided in accordance with ASX Listing Rule 5.3 for the Quarter.

1. Listing of tenements held in Australia (directly or beneficially):

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Kathleen Valley	M36/264	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - nickel claw back rights retained by other party
		M36/265		
		M36/459		
		M36/460		
		M36/696	LRL (Aust) Pty Ltd	100%
		E36/879		
		L36/236		
		L36/237		
		L36/248		
		L36/250		
		L36/251		
		L36/0255		
		L36/0256		
		L36/0261		
		L36/0262		
		L36/0263		
		L53/253		
		L53/254		
		L53/255		
		L53/256		
		G36/0052		
		L53/0263	LRL (Aust) Pty Ltd	0% - pending application
		L53/0264		
		L53/0265		
		L36/0264		
		L36/0265		
		L36/0266		
		L36/0267		
		L36/0268		
		L53/0266		
		L53/0267		
		E36/1041		
		L36/270		
		L36/271		
		L36/272		
		L36/273		
		L36/274		

Country	Project	Tenement No.	Registered Holder	Nature of interests
		L36/275		
		L36/276		
		L36/278		
		L36/279		
		L36/280		
		L53/272		
		L53/273		
		L53/274		
	Buldanina	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
		P63/1977		
		M63/647		
		M63/676	Buldanina Lithium Pty Ltd	0% - pending application
		E63/1660		100%
		E63/2267		0% - pending application
		E63/2268	LRL (Aust) Pty Ltd	
	Monjebup	E70/6042	LBM (Aust) Pty Ltd	100%
		E70/6043		
		E70/6044		

2. Listing of tenements acquired (directly or beneficially) during the quarter:

Nil

3. Tenements disposed, relinquished, reduced or lapsed (directly or beneficially) during the quarter:

Nil

4. Listing of tenements applied for (directly or beneficially) during the quarter:

Country	Project	Tenement No.	Registered Holder	Nature of interests
Australia	Kathleen Valley	L36/271	LRL (Aust) Pty Ltd	0% - pending application
		L36/272		
		L36/273		
		L36/274		
		L36/275		
		L36/276		
		L36/278		
		L36/279		
		L36/280		
		L53/272		
		L53/273		
		L53/274		

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Liontown Resources Ltd

ABN

39 118 153 825

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,308)	(5,709)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,880)	(4,398)
(e) administration and corporate costs ¹	(3,279)	(7,016)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3,106	7,858
1.5 Interest and other costs of finance paid	(3)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Business Development) ²	(252)	(681)
Other (Corporate Recharges) ³	-	78
1.9 Net cash from / (used in) operating activities	(4,616)	(9,879)

1. Includes GST arising from investing and financing activities in accordance with UIG 1031.

2. Relates to business development costs including offtake and financing activities.

3. Receipt of corporate recharges from Minerals 260 Ltd.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(982)	(1,019)
(d) exploration and evaluation	-	-
(e) investments ⁴	(6,400)	(6,400)
(f) other non-current assets - mine properties in development ⁵	(66,818)	(125,596)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	4	16
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(74,196)	(132,999)

4. Relates to refundable security payments for the \$25 million guarantee with Export Finance Australia and other guarantee security payments

5. Includes costs associated with the development of the Kathleen Valley Project

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	298
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(4)	(23)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings ⁶	(65)	(153)
3.7	Transaction costs related to loans and borrowings ⁷	-	(5,227)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(69)	(5,105)

6. Repayments related to lease liabilities

7. Costs associated with the Ford debt facility

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	383,974	453,076
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,616)	(9,879)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(74,196)	(132,999)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(69)	(5,105)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	305,093	305,093

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter	Previous quarter
	\$A'000	\$A'000
5.1 Bank balances	305,093	383,974
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	305,093	383,974

6. Payments to related parties of the entity and their associates	Current quarter
	\$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	388
6.2 Aggregate amount of payments to related parties and their associates included in item 2	53

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities available	Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities ^A		300,000	-
7.2	Credit standby arrangements		-	-
7.3	Other (please specify)		-	-
7.4	Total financing facilities		300,000	-
7.5	Unused financing facilities available at quarter end			300,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.			
<i>A: On 29 June 2022 Liontown executed a Funding Facility with a Ford subsidiary (see ASX announcement "Liontown executes Binding Offtake Agreement with Ford" on 29 June 2022). The senior-secured debt facility of A\$300 million has an interest rate of BBSW + 1.5% and a maturity date of 5 years from supply commencement date. The facility has security over the Kathleen Valley project assets and shares in the borrower (a wholly owned subsidiary of Liontown Resources Limited). The conditions precedent to drawing upon the facility were completed in March 2023 and the facility is available for use at 31 March 2023.</i>				

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,616)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,616)
8.4	Cash and cash equivalents at quarter end (item 4.6)	305,093
8.5	Unused finance facilities available at quarter end (item 7.5)	300,000
8.6	Total available funding (item 8.4 + item 8.5)	605,093
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) ⁸	131

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 ☐ Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable

8.8.2 ☐ Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

8.8.3 ☐ Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

8. The prescribed calculation excludes outgoings related to other investing activities. Outgoings in section 2.1 (f) relate to development expenditure on the Kathleen Valley Project which is the main activity of the Company. If this were to be included in the Estimated quarters of funding available calculation, the number of quarters would reduce from 131 to 8.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 April 2023.....

Authorised by:By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.