

13 March 2024

## Kathleen Valley Debt Facility

### Highlights

- Executed facility agreement for A\$550 million<sup>1</sup> debt facility with syndicate of leading international and domestic commercial banks and government credit agencies.
- Debt facility designed to ensure that the Kathleen Valley Lithium Project is funded through first production and ramp-up to 3Mtpa base case<sup>2</sup>.
- No scheduled repayments and interest capitalised<sup>3</sup> during the term of the debt facility, with bullet payment on maturity on 31 October 2025.
- Proceeds drawn will be used to refinance existing Ford debt, fund construction and ramp-up of the Project and to provide working capital / liquidity.

Liontown Resources Limited (ASX : LTR) (**Liontown** or the **Company**) is pleased to announce that it has entered into a A\$550 million<sup>1</sup> debt facility agreement (**Debt Facility**) which is designed to ensure the Company's Kathleen Valley Lithium Project (**Kathleen Valley** or the **Project**) is funded through first production and ramp-up to the 3Mtpa base case<sup>2</sup>.

The Debt Facility provides financial certainty and sufficient time for Liontown to complete the previously announced review of Kathleen Valley's 4Mtpa expansion<sup>4</sup>, including opex and capital requirements, on which the Company will provide a market update in Q2 CY2024. In parallel, the Company is continuing to explore options for a longer-term funding solution to provide future flexibility and optionality beyond the 3Mtpa base case. It is possible that a longer-term funding solution could be implemented prior to any drawdown of the Debt Facility. The Debt Facility has flexible terms to enable refinancing prior to maturity if drawn.

Key terms of the Debt Facility are outlined in Schedule 1 below, including remaining conditions to be satisfied prior to drawdown. Liontown does not currently anticipate needing to drawdown on the Debt Facility until early in Q3 CY2024.

The syndicate of lenders comprises Commonwealth Bank of Australia, National Australia Bank Limited and Societe Generale (together, the Commercial **Lenders**), Australia's export credit agency, Export Finance Australia (**EFA**) as well as Australia's specialist clean energy investor the Clean Energy Finance Corporation (**CEFC**).

Kathleen Valley remains on schedule and budget to commence first production in the middle of this calendar year.

<sup>1</sup> Excludes allowances for capitalised interest and fees.

<sup>2</sup> Subject to the conditions to drawdown, and to the other ongoing terms of the Debt Facility. See Schedule 1 for a summary of some of the key terms of the Debt Facility.

<sup>3</sup> Up to the A\$40 million capitalisation sublimit.

<sup>4</sup> ASX Announcement dated 22 January 2024 "Project and Funding Update"

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**Liontown’s Managing Director and CEO, Tony Ottaviano, said:**

*“Liontown is very pleased to announce the debt funding facility today and I would like to acknowledge our lending syndicate for their support which once again reinforces the world class qualities of the Kathleen Valley Project.*

*“Having this funding in place provides strong endorsement for our project and a platform of financial certainty from which to move forward. We are consequently well-positioned to deliver the remaining milestones to first production mid-year and ramp-up towards anticipated positive cashflows.”*

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](http://www.ltresources.com.au)

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Schedule 1 – Debt Terms

Key Terms of the Debt Facility

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	Debt Facility
<b>Borrower</b>	LRL (Aust) Pty Ltd, a wholly-owned subsidiary of Liontown Resources Limited
<b>Lenders</b>	Commercial Lenders, CEFC and EFA
<b>Commitment<sup>5</sup></b>	A\$550m
<b>Total Commitment (including allowance for capitalised interest)</b>	A\$590m
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>refinance the Ford Facility (plus capitalised interest);</li> <li>fund Kathleen Valley Project Costs;</li> <li>finance associated interest and fees; and</li> <li>working capital requirements (including capitalised interest and fees).</li> </ul>
<b>Conditions to drawdown</b>	<p>Customary for a debt facility of this nature, and also including:</p> <ul style="list-style-type: none"> <li>demonstrating compliance with customary tests;</li> <li>providing a Base Case Financial Model (“BCFM”) based off, amongst other things, independent price forecasts and management forecasts of production, capital and operating costs, and which demonstrates compliance with financial ratios; and</li> <li>entry into key project tripartite agreements.</li> </ul>
<b>Interest</b>	<p>Bank Bill Swap Rate (BBSY Bid) plus a fixed margin which ratchets up over the term of the Facility, but which is never greater than 4%</p> <p>Interest to be capitalised until the capitalisation sublimit is utilised</p>
<b>Maturity</b>	31 October 2025
<b>Security</b>	Senior secured
<b>Repayment</b>	Bullet at maturity (if not refinanced sooner)
<b>Other</b>	Customary representations, undertakings, review events, and events of default for a debt facility of this nature, and certain other ongoing obligations, including:

<sup>5</sup> Excludes allowances for capitalised interest and fees

- time and cost to complete tests;
- ongoing project reporting;
- the meeting of specific Project milestones;
- distribution restrictions during the term of the Debt Facility; and
- by no later than 31 July 2024, the delivery of an updated mine plan and BCFM, based off amongst other things, independent price forecasts and forecasts of production and capital and operating costs approved by an independent technical expert, and which demonstrates the Project is sufficiently funded for the term of the Debt Facility and has the capacity to support a subsequent long term financing package

**Governing Law**

Western Australia

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