



Long Term Funding and Strategic Partnership

Investor Presentation
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Partnering for Growth: Funding and KV Update

Liontown Resources secures US\$250 million investment and 10-year offtake extension with LG Energy Solution, paving the way for long-term growth from Kathleen Valley and collaboration to explore the feasibility of establishing an IRA-compliant lithium refinery

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Strategic Partnership and Funding

- US\$250 million (A\$379 million¹) Convertible Notes issued by Liontown to LG Energy Solution on attractive terms:
 - 5-year tenor;
 - Conversion price of A\$1.80 per share. If converted today, the Notes would convert into an approx. 8% shareholding in Liontown²;
 - Coupon equal to a reference rate of SOFR³; and
 - Coupon payment flexibility; ability to capitalise coupon payments for first 24 months and option to pay in Liontown shares.
- Total cash balance increased to approx. A\$501 million⁴, providing balance sheet strength to fund Kathleen Valley ramp-up to 3Mtpa steady state production.⁵
- Existing LG Energy Solution offtake agreement extended by 10 years (15 years in total), demonstrating sustained customer demand for high-quality, IRA compliant lithium supply.
- Downstream collaboration agreement to explore the feasibility of establishing an IRA-compliant lithium refinery, which has the potential for long term value creation.



Kathleen Valley Update

- Kathleen Valley Project remains on schedule and on budget, with first production anticipated by end of July.
- Operations and Business readiness activities to support first production are tracking in line with schedule.
- Approximately A\$120 million budgeted and planned for capital costs associated with completion and commissioning of Kathleen Valley Project.
- Liontown will progress early enabling works in the underground mine to preserve the 4Mtpa expansion option on a 2027 timeframe and to support the 3Mtpa production rate.
- Optimisation studies continue for both the mine and the processing plant as part of its review of the 4Mtpa expansion case.⁶
- Final investment decision to commit to long lead items for the plant expansion will consider the outcome of the optimisation studies and prevailing market conditions at the time. Board decision anticipated by end CY2025.

Notes:

1. Notes are denominated in US\$. A\$ equivalent face value based on 0.66 exchange rate
2. Based on conversion price of A\$1.80; 0.66 exchange rate; and the current share capital. The actual number of shares to be issued on conversion, assuming all of the notes are converted at the same time, will be the A\$ equivalent at the time of the principal amount of the Convertible Notes outstanding (the face value of US\$250 million plus any capitalised interest) divided by the conversion price at the time.
3. Secured Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York
4. A\$122 million unaudited cash at bank as at 30 June 2024 and pro forma Convertible Notes at 0.66 exchange rate; excludes A\$25m cash-backed guarantee with EFA potentially to be returned in FY25 subject to satisfying replacement terms
5. Based on a range of external price scenarios, including Wood Mackenzie (May 2024 short term price forecast and Q1 2024 long term price forecast) and a scenario that assumes that current spot prices continue
6. LTR ASX Announcement 22 January 2024 "Funding and Project Update"

Liontown's strategy – Pathway to world class producer

The best strategies endure the cycles; ours is unchanged.



Kathleen Valley Full Potential

Become a globally significant sustainable supplier of spodumene



Downstream Expansion

Become a vertically integrated supplier to capture higher margins, create new supply chains



Liontown Full Potential

Expand portfolio through organic growth, value accretive M&A and exposure to the circular economy

Overview of Convertible Notes

Liontown has secured five-year US\$250 million Convertible Notes at SOFR and conversion price of A\$1.80 per share

Summary of key terms¹

Issuer	Liontown Resources, Ltd.
Noteholder	LG Energy Solution, Ltd. ("LGES")
Issue size	US\$250 million
Interest rate	Secured Overnight Financing Rate ("SOFR"), paid semi-annually up to the Maturity Date (or earlier if redeemed or converted)
Interest payment	<p>Within first 2 years; interest may be capitalised and added to the principal amount, or paid by way of an issuance of shares at the prevailing market price at the time, at the Issuer's election</p> <p>After first 2 years; interest is to be paid in cash to the extent that the Issuer has Available Cash (Available Cash is the amount of the consolidated group cash and cash equivalents on the relevant interest payment date above a specified threshold). Any balance of interest not paid in cash to be paid by way of an issuance of shares at the prevailing market price at the time</p>
Conversion Price	A\$1.80/share, subject to adjustments for any future dividends, share issues, etc
Maturity Date	5 years from Issue Date
Conversion period	LGES may elect to convert the Notes into Shares at any time after the date that is 6 months after the Issue Date, up until the date that is 5 Business Days prior to the Maturity Date. The restriction on conversion in the first 6 months does not apply if there is a change of control proposal during that period
Right for LGES to require early redemption	Following the occurrence of an Event of Default, or the occurrence of a Prescribed Redemption Event, the Noteholder may elect to redeem the Notes
Issuer redemption rights for Price Event or Tax Event	Price Event after second anniversary of the Issue Date, or Tax Event
Security	All of Liontown's issued shares in Kathleen Valley Holdings Pty Ltd (KV Holdings) and limited security over all of the assets of Liontown
Negative pledge	Liontown is not restricted from incurring further secured or unsecured financial indebtedness at the Issuer level, provided that the Issuer cannot grant additional security over its shares in KV Holdings, other than pari passu secured debt financing limited to \$100 million (such \$100 million to be reduced for any exempt equity financing)



US\$250 million of additional long tenor (five years) funding secured



Conversion price of A\$1.80 per share



Low-interest cost (SOFR, nil margin)



Flexibility over interest payments



Low-covenant Ford facility retained

Notes:

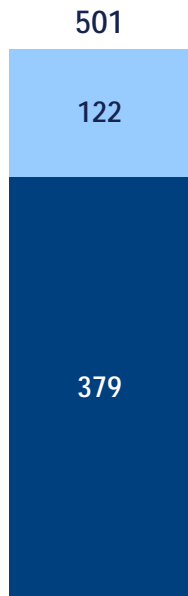
1. Also see more detailed summary in Schedule 1 of ASX Announcement 2 July 2024 "Strategic Partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley"

Balance Sheet and Remaining Capital Costs

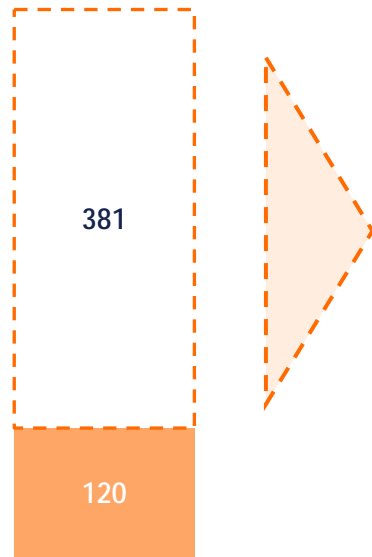
US\$250 million Convertible Notes and existing A\$122 million¹ of cash on hand provides balance sheet strength to fund Kathleen Valley ramp-up to steady state production of 3Mtpa and preserve the 4Mtpa expansion option

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Total cash balance^{1,2} (A\$m)



Uses of cash (A\$m)



- Cash on hand (as at 30-Jun-24)
- LG Energy Solution Convertible Notes
- Additional liquidity³
- Remaining capital cost at Kathleen Valley

- Total cash balance increased to approximately A\$501 million.²
- Approximately A\$120 million budgeted and planned to be spent for capital costs associated with the completion of the Kathleen Valley Project to first production. The Project remains on schedule and on budget.
- The A\$381 million of additional liquidity provides balance sheet strength to fund Kathleen Valley ramp-up to 3Mtpa steady state production.³
- The funding enables Liontown to progress early enabling works in the underground mine to preserve the 4Mtpa expansion option on a 2027 timeframe and to deliver additional mining work fronts to support the 3Mtpa production:
 - Mine and process plant optimisation studies are continuing;
 - A decision to commit to long lead items for the process plant expansion will consider the outcome of the optimisation studies and prevailing market conditions. FID on whether to proceed is anticipated by end of CY2025.
- Liontown retains additional balance sheet strength and flexibility arising from:
 - Flexibility over interest payments;
 - Permitted capacity for Liontown to secure an additional A\$100 million⁴ of indebtedness, with flexibility for a shared security package with LG Energy Solution, and
 - Less restrictive debt covenants than under previously announced Debt Facility⁵, which was from Commercial Lenders.

Notes:

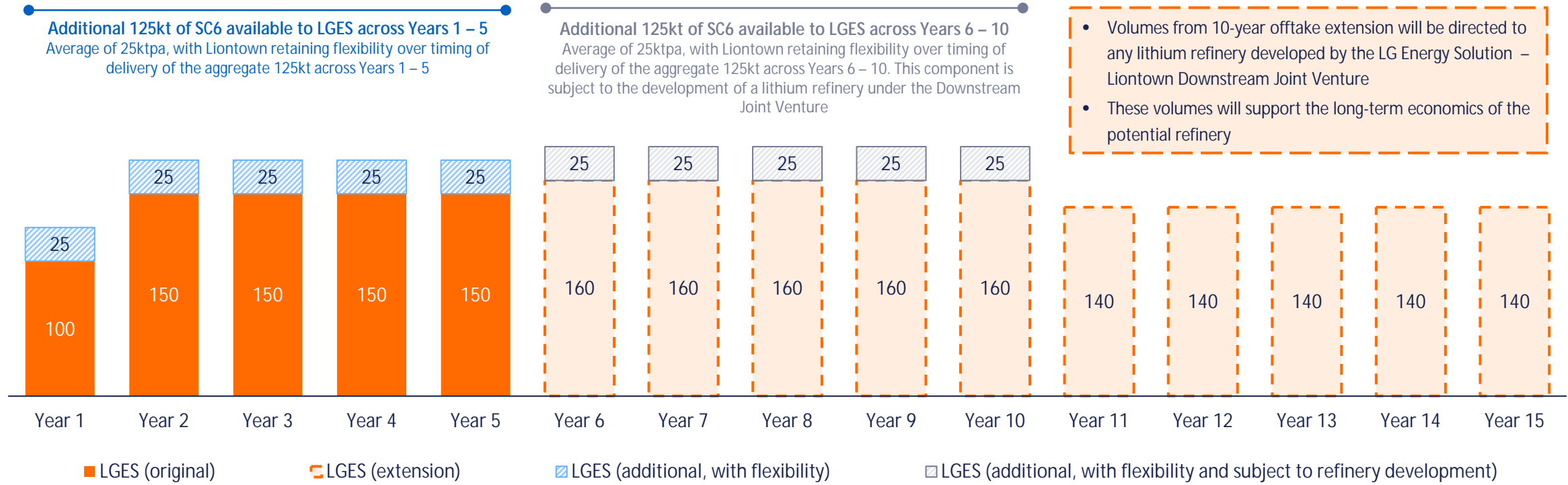
1. A\$122 million unaudited cash at bank as at 30 June 2024
2. A\$501 million includes unaudited cash at bank as at 30 June 2024 and pro forma Convertible Notes at 0.66 exchange rate; excludes A\$25M cash-backed guarantee
3. Additional liquidity to fund working capital, sustaining capital and planned and discretionary capital works (not required for first production)
4. Such A\$100 million to be reduced for any exempt equity financing
5. LTR ASX Announcement 13 March 2024 "Kathleen Valley Debt Facility"

Extension to Foundation Offtake Agreement

LG Energy Solution's Convertible Notes investment extends offtake agreement to 15 years total, with additional tonnes available in the first 10 years

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Contracted volumes to LG Energy Solution (kt SC6)
Subject to leeway of +/- 10%



Downstream Joint Venture

Liontown and LG Energy Solution have entered into a downstream collaboration agreement to investigate long-term value creation through the establishment of an IRA-compliant refinery

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Downstream Collaboration Agreement

- Collaboration moves Liontown and LG Energy Solution towards vertical integration in the battery value chain
- Feasibility studies to evaluate site selection, economic viability, and sustainability considerations, underscoring Liontown and LG Energy Solution's commitment to sustainable growth and value creation
- This collaboration complements Liontown's existing downstream pre-feasibility work with Sumitomo Corporation.
- Partnering with LG Energy Solution, one of the world's largest battery producers, is consistent with Liontown's strategy and provides valuable insight into the battery market and its evolution

Refinery will convert Kathleen Valley material from both the LG Energy Solution offtake and potential additional tonnes from a 4Mtpa expansion¹



Notes:

1. Subject to separate investment decisions to approve execution of the refinery and Kathleen Valley 4 Mtpa expansion

Kathleen Valley on track for first production

Mining

- ü Kathleen's Corner open pit building substantial stockpiles ahead of production, with approx¹:
 - 130kt of clean ore on ROM
 - 75kt crushed ore (in plant)
 - 230kt of Ore Sorting Product (OSP)
 - 10kt of clean sorted OSP
- ü Underground development progressing apace, >3,400m development meters¹



Process Plant

- ü Process Plant ~99%¹ complete on an earned value basis. Commissioning ramping up in preparation for first ore.
- ü Dry Plant: Crushing circuit between the Primary Crushing and Fine Ore Bin online / commissioned.
- ü Commissioning: Electrical commissioning activities nearing completion, with current focus on Flotation and Reagents areas. Water commissioning underway through wet plant.



Support Infrastructure

- ü 95MW Hybrid Power Station in full operation
 - Hybrid-Renewable providing power to entire site operations including; camp, services, process plant and underground facilities
- ü Operational Readiness:
 - 350 employees ready to start operations; gender diversity above industry norm
 - Business systems in place for first production.



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¹ Project to date as at 30 June 2024, subject to final quarter end review

Tier 1 Customers

Binding offtake agreements underpin the majority of sales for the first five years of production¹



TESLA



Index Reference	Lithium Hydroxide Index	Lithium Hydroxide Index	Lithium Hydroxide Index
Supply Term	15 years	5 years	Initial period of 5 years from the commencement of commercial production <i>The Supply Term may be extended for a further 5 years by mutual agreement</i>
Product	Spodumene Concentrate with target specification 6% Li2O	Spodumene Concentrate	Spodumene Concentrate with target specification 6% Li2O
Volume	§ Year 1: 100,000 DMT (+/- 10%) § Year 2 – 5: 150,000 DMT (+/- 10%) § Year 6 – 10: 160,000 DMT (+/- 10%) § Year 11 – 15: 140,000 DMT (+/- 10%) § Additional 125kt in aggregate over Years 1 – 5 from commercial production made available to LGES, with flexibility on timing of delivery § Additional 125kt in aggregate over Years 6 – 10 from commercial production made available to LGES subject to the development of a lithium refinery by the LGES – Liontown Downstream Joint Venture, with flexibility on timing of delivery	§ Year 1: 100,000 DMT § Year 2 - 5: 150,000 DMT	§ Year 1: 75,000 DMT (+/- 10%) § Year 2: 125,000 DMT (+/- 10%) § Year 3 - 5: 150,000 DMT (+/- 10%)
Additional Public Terms	§ Buyer may terminate the offtake agreement if commercial production has not occurred prior to 1 September 2025 § Seller shall be relieved of its obligation to supply Product when the Project is under force majeure or placed on care and maintenance on commercially reasonable grounds § Payment requires the Buyer to issue an irrevocable letter of credit	§ Tesla originally had a right to terminate the Offtake Agreement if Liontown had not issued a supply commencement date notice by 1 September 2025 and actually commenced commercial production at Kathleen Valley by no later than 1 December 2025. § Due to Liontown's anticipated commencement of production at Kathleen Valley, Liontown now intends to notify Tesla of the commencement of commercial production under the Tesla offtake by 1 December 2024. § If Liontown does not actually commence production under the Tesla Offtake Agreement by 1 December 2024, then Tesla may terminate the offtake agreement at its sole and exclusive remedy.	§ Either Ford or Liontown may terminate the Offtake Agreement if commercial production has not occurred prior to 1 September 2025

¹ The Company is in advanced discussions with a third party in respect of a short-term offtake agreement to sell up to 100,000 DMT of spodumene concentrate covering the ramp up period, with pricing linked to market prices.

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First production imminent, growing our Company

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US\$250 million low-interest Convertible Notes support ramp-up to 3Mtpa steady state production and preserves 4Mtpa expansion option on a 2027 timeframe



Kathleen Valley Project remains on schedule and on budget, with first production anticipated by end of July



Mining well underway with parallel operation of open pit and underground mining. Funding enables early works in the underground mine for growth optionality and production flexibility



Optimisation studies continue for both mine and processing plant to support 4Mtpa expansion option, ahead of anticipated investment decision on whether to proceed by the end of CY2025



Downstream collaboration with LG Energy Solutions (and Sumitomo) exploring feasibility to maximise value through vertical integration – consistent with strategy



ESG is core to our DNA; delivering world-class framework and tangible outcomes from outset



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