

2 July 2024

## LG Energy Solution and Liontown Resources agree on long-term strategic partnership, securing lithium supply chain and future growth opportunities

LG Energy Solution and Liontown Resources Limited (**Liontown**) today entered into a strategic partnership aimed at fortifying their long-term collaboration in the global lithium sector.

The companies signed a convertible note subscription agreement, an extended offtake agreement for the supply of high-quality lithium spodumene from Liontown's Kathleen Valley Project, and a downstream collaboration agreement to explore the feasibility of establishing a lithium refinery which has the potential for long-term value creation.

The partnership between LG Energy Solution and Liontown signifies a mutual commitment to advancing sustainable and stable lithium solutions globally and underscores the companies' shared commitment to innovation and value creation.

The agreement will be formalised at a ceremony scheduled to take place on July 4<sup>th</sup> 2024 at LG Energy Solution headquarters in Seoul, Korea.

### Key terms of the Strategic Partnership: <sup>1</sup>

- Liontown extends LG Energy Solution's existing 5-year offtake agreement by an additional 10 years (15 years total). The agreement will now provide 700kt of spodumene concentrate over the first 5 years and 1,500kt spodumene concentrate over years 6 to 15 (in aggregate). This extension also includes a commitment to make up to 250kt spodumene concentrate available over the first 10 years (2.45Mt in total);
- Downstream collaboration agreement to commence feasibility studies to establish an Inflation Reduction Act (**IRA**)-compliant lithium refinery, aimed at processing spodumene from Kathleen Valley into battery-grade lithium chemicals<sup>2</sup>;
- LG Energy Solution will invest US\$250 million (A\$379 million<sup>3</sup>) through Convertible Notes. The funding from LG Energy Solution will underpin the production ramp-up of Liontown's world-class Kathleen Valley Project in Western Australia. First production of lithium spodumene concentration from Kathleen Valley is anticipated by the end of July.

<sup>1</sup> For further information on the terms of the strategic partnership, please refer to Liontown's ASX Announcement on 2 July 2024: [Strategic partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley](#).

<sup>2</sup> Subject to separate investment decisions to approve execution of the refinery and Kathleen Valley 4 Mtpa expansion

<sup>3</sup> Notes are denominated in US\$, A\$ equivalent face value at 0.66 exchange rate

**Liontown Resources' Chairman, Tim Goyder, said:**

*"Liontown is very pleased to formalise this strategic partnership with LG Energy Solution, one of the world's leading battery producers, marking a significant milestone in our journey towards becoming a globally significant supplier of battery minerals as the world transitions to a low-carbon future.*

*This partnership and investment is consistent with our downstream refining strategy to capture the value of vertical integration and deliver substantial value to our shareholders and key stakeholders over the long term.*

**LG Energy Solution's Chief Executive Officer, David Kim, said:**

*"The agreement represents another significant step in our value chain investment strategy aimed at enhancing its resilience to market uncertainties.*

*"By partnering with strong players like Liontown, we will continue to secure stable supply of IRA-compliant critical minerals, fulfilling our efforts to provide competitive power solutions for electrification."*

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

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**About the Companies:**

**LG Energy Solution (KRX: 373220)**, a split-off from LG Chem, is a leading global manufacturer of lithium-ion batteries for electric vehicles, mobility, IT, and energy storage systems. With 30 years of experience in revolutionary battery technology and extensive research and development (R&D), the company is the top battery-related patent holder in the world with over 58,000 patents. Its robust global network, which spans North America, Europe, and Asia, includes battery manufacturing facilities established through joint ventures with major automakers. Committed to building sustainable battery ecosystem, LG Energy Solution aims to achieve carbon neutrality across its value chain by 2050, while embodying the value of shared growth and promoting diverse and inclusive corporate culture. To learn more about LG Energy Solution's ideas and innovations, visit <https://news.lgensol.com>.

**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 developer 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)