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Liontown Resources successfully completes \$450m underwritten institutional placement and announces SPP

Strong demand received from major domestic and offshore institutions

Highlights:

- **Firm commitments received** for a fully underwritten Placement of approximately 272.7 million shares priced at A\$1.65 per share **to raise ~A\$450 million** (before costs)
- **Strong demand** received from **high-quality domestic and offshore institutions** providing a strong endorsement of Liontown's world-class Kathleen Valley Project
- Upon completion of the Placement, Liontown will have pro-forma **cash reserves of ~A\$474 million** (before costs and excluding proceeds raised from the SPP)
- Liontown now has a **significant capital base from which to accelerate development of Kathleen Valley**
- SPP for all eligible existing shareholders to **raise up to A\$40 million** (before costs) to open on or around Friday, 10 December 2021 at the same price as the Placement (A\$1.65 per share)

Liontown Resources Limited (ASX: **LTR**) ("**Liontown**" or "**the Company**") is pleased to announce that it has successfully completed a ~A\$450 million institutional placement of approximately 272.7 million new fully paid ordinary shares ("**New Shares**") to new and existing investors at an offer price of A\$1.65 per New Share ("**Placement**"). In addition to the Placement, the Company has also announced a Share Purchase Plan ("**SPP**") at the same price as the Placement, which is expected to raise up to A\$40 million, with the Placement and SPP to raise total gross proceeds of up to ~A\$490 million ("**Offer**").

Liontown's Managing Director and CEO, Tony Ottaviano, said: "*The strong demand from both domestic and offshore institutions for this landmark equity raising is testament to the world-class nature of the Kathleen Valley Project and represents a strong endorsement of our development pathway.*"

"The Placement was well supported by existing Liontown shareholders and will also see new investors join the register. The introduction of these high-quality institutions together with the support shown by current shareholders has ensured that we emerge well capitalised with certainty of funding for the Stage 1 capital cost of the initial 2.5 Mtpa development at Kathleen Valley."

“We are also pleased to offer our existing eligible shareholders the opportunity to participate in this equity raising via the SPP, which will be launched on Friday, 10 December. I would like to take this opportunity to thank shareholders for their long-standing support.”

The Company intends to use the proceeds from the Offer, in conjunction with existing cash on hand, towards the following purposes:

1. Kathleen Valley development costs
 - Ordering of critical long-lead items
 - Mine establishment and construction capex
 - Pre-production costs
 - Sustaining capex for the first year of operations
2. Corporate costs, working capital and the Offer costs
 - General corporate costs
 - Working capital requirements
 - Offer costs including Joint Lead Manager fees and legal fees
3. Exploration and study costs
 - Kathleen Valley and Buldania Resource drilling
 - Downstream Pre-Feasibility Study
 - Buldania studies
 - Testwork
 - External consultants

Placement Details

The Offer price of A\$1.65 per New Share represents a 14.1% discount to the closing price of A\$1.92 per share on 30 November 2021 and a 9.3% discount to the 10-day volume weighted average price of A\$1.82 per share as at 30 November 2021.

Settlement of the Placement is expected to occur on Monday, 6 December 2021 with New Shares to be allotted on Tuesday, 7 December 2021.

New Shares issued under the Placement will rank equally with existing fully paid ordinary shares of the Company and will be issued within the Company’s placement capacity under ASX listing Rule 7.1.

Barrenjoey Markets Pty Limited, Bell Potter Securities Limited and Macquarie Capital (Australia) Limited acted as Joint Lead Managers and Underwriters to the Placement.

Details of Share Purchase Plan (SPP)

In addition to the Placement, The Company will offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Liantown shares at 7:00pm (AEDT) on Tuesday, 30 November 2021 (the “**Record Date**”), the opportunity to apply for new Liantown shares via a non-underwritten SPP without incurring brokerage fees. The Company intends to raise up to A\$40 million via the issue of shares under the SPP at the same price as the Placement (A\$1.65 per share).

Eligible existing shareholders will have the opportunity to apply for up to A\$30,000 worth of new shares in Liontown. The shares issued under the SPP will rank equally with existing ordinary shares of the Company. The Company retains the right to accept oversubscriptions or to scale back applications (in whole or in part) at its absolute discretion (subject to the limit prescribed in the ASX listing rules), which may result in the SPP raising more or less than A\$40m.

Further information in relation to the SPP, including the terms and conditions, is expected to be made available to eligible existing shareholders on Friday, 10 December 2021. Eligible existing shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

Indicative Timetable

| Event | Date |
|--|---------------------------------------|
| Record Date for eligibility to participate in SPP | 7:00pm AEDT Tuesday, 30 November 2021 |
| Settlement of Placement shares | Monday, 6 December 2021 |
| Allotment of Placement shares | Tuesday, 7 December 2021 |
| Dispatch SPP Offer Documents and SPP Offer open date | Friday, 10 December 2021 |
| SPP closing date | Friday, 14 January 2022 |
| Announcement of SPP Participation Results | Friday, 21 January 2022 |
| Allotment of SPP shares | Friday, 21 January 2022 |
| Commencement of trading of SPP shares | Monday, 24 January 2022 |

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX.

This announcement has been authorised for release by the Board.



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Competent person statement

The Information in this Announcement that relates to Production Target and DFS for the Kathleen Valley Project is extracted from the ASX announcement "Kathleen Valley DFS confirms Tier-1 global lithium project with outstanding economics and sector-leading sustainability credentials" released on 11 November 2021 which is available on www.litresources.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates or production targets or forecast financial information derived from a production target (as applicable) 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 announcements.

Important notices

This report contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are considered reasonable. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by law or the ASX listing rules.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Liantown shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial situation or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Liantown is not licensed to provide investment or financial product advice in respect of Liantown shares. Cooling off rights do not apply to the acquisition of Liantown shares pursuant to the Placement or SPP.

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