

Liontown awards EPCM Contract to Lycopodium

ASX Announcement

21/07/2022

Leading engineering firm Lycopodium Minerals Pty Ltd (Lycopodium) appointed to complete the engineering, procurement, construction management (EPCM) and commissioning services for the Kathleen Valley Lithium Project in Western Australia

Highlights

- Liontown and Lycopodium have executed an engineering, procurement and construction management agreement (**EPCM Contract**) under which Lycopodium will deliver the EPCM services for the processing facilities and associated non-process infrastructure at Kathleen Valley.
- The EPCM Contract valued at approximately A\$35 million based on the agreed scope is on terms consistent with the assumptions in the Company's Definitive Feasibility Study and includes fixed and reimbursable portions to ensure greater cost certainty for project engineering.
- Lycopodium has been involved with the Project since 2018 and has substantial global mineral processing and project delivery experience (which includes current engagements on multiple lithium projects and studies) which it will leverage to provide Liontown with an integrated engineering, construction and commissioning solution for delivery of the Project.
- The award follows the Board's decision to make the Final Investment Decision to proceed to develop Kathleen Valley in June 2022.
- The Project remains on-track for commissioning and production by Q2, 2024.

Liontown Resources Limited (ASX: LTR) (**Liontown** or the **Company**) is pleased to announce that it has awarded the EPCM Contract for the Kathleen Valley Lithium Project to Lycopodium Minerals Pty Ltd, a subsidiary of Lycopodium Limited (ASX: LYL) (**Lycopodium**). The appointment of Lycopodium follows its successful completion of the engineering services for the Definitive Feasibility Study (**DFS**) in November 2021 and agreement of key commercial terms.

Lycopodium will provide the engineering design, procurement of equipment and materials, construction management, pre-operational testing and commissioning services for the processing facilities and associated non-process infrastructure at Kathleen Valley.

Since completion of the DFS, Lycopodium has been providing the Front-End Engineering Design (FEED) services under a preliminary services agreement. As a result, the DFS engineering team was retained and detailed engineering is well advanced, enabling the Company to award over 75% of mechanical equipment long-lead items as well as awarding total process plant and non-process infrastructure packages with an estimated value of A\$103 million, ensuring that the Project remains on schedule.

Management Comments

Liontown's Managing Director and CEO Tony Ottaviano commented:

"Awarding the EPCM Contract is another significant milestone for Liontown and the development of Kathleen Valley. We are delighted to have appointed a company of Lycopodium's stature and capability, building on their long-standing involvement with the Kathleen Valley Project in overseeing testwork, piloting and design since 2018. We believe Lycopodium is an ideal engineering and construction partner, with substantial experience in mineral processing plant design and construction expertise, making it ideally placed to deliver the Project."

Lycopodium's Managing Director Peter De Leo commented:

"Kathleen Valley is a lithium project of global significance that will supply vital battery minerals to the burgeoning electric vehicle and energy storage industries. Having worked with Liontown through the evaluation and study stages, we are extremely pleased to have the opportunity to continue into the engineering and construction phase of this exciting project."

This announcement has been authorised for release by the Board.



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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.

