FY24 ANNUAL REPORT

Liontown Resources Limited
ABN 39 118 153 825
For the year ended 30 June 2024

Liontown is an ASX listed battery minerals producer. With our tier-one credentials, including a world class asset and strategic partners, Liontown aims to power a sustainable future by ensuring a reliable supply of critical minerals, mined in a responsible way, while generating value for our stakeholders.

Welcome to our summary of operations, activities, performance and financial reporting for the year ended 30 June 2024. To gain a broader contextual appreciation of our business, this report can be viewed together with our ESG Report and Corporate Governance Statement at ltresources.com.au.

About this report

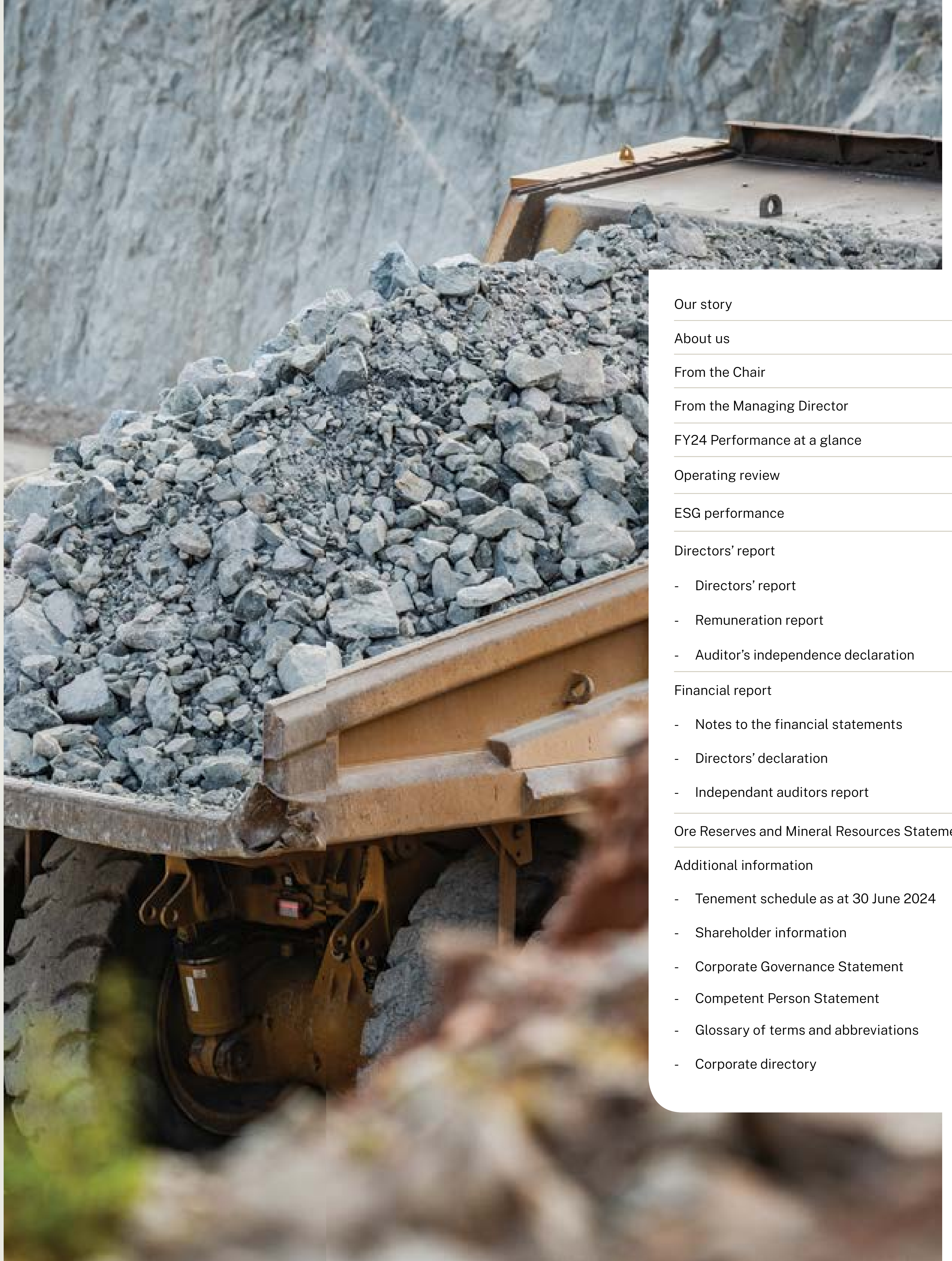
This Annual Report is a summary of Liontown's operations and financial results for the financial year ended 30 June 2024. All references to 'Liontown Resources', 'Liontown', 'the Company', 'the Group', 'we', 'us', 'our' refer to Liontown Resources Limited (ABN 39 118 153 825) and the entities it controlled in the reporting period, unless otherwise stated.

References in this report

References in this report to a 'year' are to the financial year ended 30 June 2024, unless otherwise stated. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated. All references to 'Indigenous' people are intended to include Australian Aboriginal and/or Torres Strait Islander people.

Acknowledgement of Country

We acknowledge the Traditional Owners of the land on which we work and recognise the intricate and deep connection to country that they share. We pay our respects to their Elders past and present.



In 2021 we set out to deliver the Kathleen Valley Lithium Project by mid-2024. We have achieved that goal.

Liontown is an independent ASX-listed company with a vision to be a globally significant producer of battery minerals. The Company is the 100 per cent owner-operator of the tier-one Kathleen Valley Lithium Project in the northern Goldfields of Western Australia, approximately 700 kilometers north-east of Perth.

We work closely with the communities in which we operate, especially the local Tjiwarl Traditional Owners at Kathleen Valley by respecting their heritage and supporting their economic development through responsible mining practices.

In seeking like-minded partners, Liontown has long-term offtake agreements with LG Energy Solution, Tesla and Ford Motor Company. We have taken a deliberate approach to strategically partner with customers who are diversified by geography and their position on the battery value chain.

In an era of increasing demand for critical minerals, Liontown will supply to our partners for a cleaner future. Our spodumene will support electric vehicles, store renewable energy, and drive innovations toward a low-carbon future.

Now as we enter production, our goal is to sustainably generate value and opportunity for all shareholders and stakeholders we partner with while leading by example by setting high ESG standards.

The Liontown story is only beginning, we're proud of our achievements so far and have done so in the face of enormous market challenges. The long-term fundamentals are strong, and we believe our future remains very bright.

*Liontown. **Powering** Tomorrow, Respecting **Today.***

Our Vision

To be a globally significant provider of battery minerals as the world transitions to a low-carbon future.

Our Strategy

To find, develop and produce lithium and other mineral deposits required to support the transition to a low-carbon future.

Kathleen Valley Full Potential

Our goal is to develop Kathleen Valley to its full potential and become a globally significant supplier of spodumene concentrate and lithium hydroxide.

Downstream Expansion

Our access and control of feedstock provides options for Liontown to develop an integrated chemical business and capture higher margins.

Liontown Full Potential

At the opportune time, we will expand our portfolio through organic growth, value accretive mergers and acquisitions, and/or exposure to the circular economy.

Our Values

Safety

- Every one of us will do everything we can to create a safe work environment.
- We will ensure everyone who visits our workplaces is supported and goes home safe every day.

Sustainability

- Together, with our customers and suppliers we work towards a circular economy.
- We develop resources responsibly, and the raw materials we produce are used efficiently and responsibly.

Sense of Team

- We are a group of people who get together to do important work.
- We are inclusive.
- We celebrate the diversity present in our team.
- We have fun.

Respect

- We understand and celebrate that our work involves diverse relationships and many stakeholders with individual objectives.
- We ensure all voices are respectfully heard and develop solutions that balance the interests of all stakeholders.

Ambition

- We don't just want to do well, we want to keep getting better.
- The challenge of constant improvement is what motivates us.
- We set objectives and work to discover how these can be achieved.

Integrity

- We have many stakeholders who expect great things from us.
- We have the courage to do the right thing, even when it is the harder thing.
- We don't take 'shortcuts'.

Powering a sustainable future

Critical minerals such as lithium are an essential input into powering modern technologies that contribute to a clean energy future. Liontown will play an important part in the global battery value chain through the delivery of our spodumene concentrate to global markets. Through every step of our process, we aim to minimise our ecological footprint and maximise positive impact for all stakeholders.

Our **value** chain

Exploration

Geological assessment, drilling, identifying viable mineral deposits

Mining

Extraction of minerals, using open-pit and underground mining techniques

Processing

Crushing, grinding and refining, producing spodumene concentrate

Shipping

Transporting product via trucks to Geraldton for loading on to ships

Customers

Delivery of spodumene concentrate to our customers around the world:

- Tesla
- Ford
- LG Energy Solution

Develop Integrated Chemical Operations

As part of our longer-term strategy we will investigate converting our concentrate to develop integrated chemical operations.

Conversion

Chemical processing to convert the concentrate into lithium carbonate or hydroxide

Battery Manufacturing

Lithium-ion batteries

Manufacturing of battery components and assembly of lithium-ion batteries

End-use Products

Consumer goods

Lithium ion-batteries are used to power EVs, mobile phones and battery storage systems

Liontown is headquartered in Perth, Western Australia and controls two hard rock lithium deposits in the state's Goldfields region:

- Kathleen Valley - world-class scale and economics with a mineral resource estimate of 155mt @ 1.3% Li_2O and 131ppm Ta_2O_5.*
- Buldania - a prospective lithium project with a mineral resource estimate of 15mt @1.0% Li_2O.

* Refer to the "Ore Reserve and Mineral Resources Statement" on page 116.

Tim Goyder
Chairman

On behalf of the Liontown Board, it gives me great pleasure to present Liontown's Annual Report for the 2024 Financial Year.

On behalf of the Liontown Board, it gives me great pleasure to present Liontown's Annual Report for the 2024 Financial Year.

The 2024 Financial Year has been a milestone year for Liontown. Two and a half years ago, we set ourselves a timeline to develop, commission and achieve first production of spodumene concentrate in mid-2024 and I'm proud to confirm that we have delivered against that commitment. We will apply the same focus and discipline to the ramp-up phase as we work towards our steady-state run rate of three million tonnes per annum.

Our priority areas this year were largely driven by the construction of the Kathleen Valley Lithium Project, which brought with it a clear focus on safety, cost and production, along with people and ESG at our foundation. Trust and transparency are also essential to the way we operate, and we continued to work closely with all stakeholders to deliver 'what we said we'd do' and create long-term value for shareholders.

Throughout the year, I have spoken with many of our shareholders, contract partners, customers, and stakeholders. As you would expect, the board has worked closely with the management team to deliver on our targets in the short-term and to have the right strategy for the Company longer term, in order to sustain solid long-term growth.

While progress at Kathleen Valley has been largely within our control, unfortunately, lithium prices have not. The depth and speed of this down cycle has surprised many, yet despite a significant decline in lithium prices during the financial year, the long-term outlook for lithium demand has remained robust. It's worth highlighting that global sales of EV's increased 35 percent year-on-year, with the China market exhibiting the largest increase and offsetting weaker demand from Europe and the United States. Notwithstanding battery prices continuing to decrease, disparity in EV growth rates is correlated to the price of vehicles and the impact of high interest rates on car finance. In China for example, EV pricing is competitive with internal combustion engine vehicles, whereas they remain at a premium across much of the United States and Europe.

Other sources of demand such as the energy stationary storage (ESS) market, though a smaller contributor to lithium demand to date, has also shown significant growth, with a 75 percent increase in demand in 2023 alone and expectations of nearly 40 percent growth in 2024. These trends indicate that both the EV and ESS markets will continue to drive robust demand for lithium over time as they mature and expand.

We experienced the highs and lows of corporate activity when Albemarle tabled its non-binding indicative offer to buy Liontown in September 2023. Notwithstanding the withdrawal of their offer in October 2023, the Board remained focused on achieving first production from Kathleen Valley in mid-2024 and delivering long-term value to its stakeholders.

There is no doubt that the lithium price volatility experienced during the year has presented some challenges for us, most notably in finalising a funding solution to complete construction of the Kathleen Valley Lithium Project and to fund production ramp-up. While price reporting agencies and investment banks have downgraded their lithium price forecasts during recent months, the sentiment from our customers reinforces our belief in the sustained demand and growth over the medium to long term, as the world transitions to a low-carbon future. It was this sentiment that led to the US$250 million funding solution with our foundation partner, LG Energy Solution, that we announced post the end of the financial year. The significance of the agreement is a testament to the quality of the Kathleen Valley Lithium Project, the Liontown team and LG Energy Solution's confidence in the long-term prospects of lithium.

LG Energy Solution is one of the worlds leading manufacturers of lithium-ion batteries, with a market cap of over A$100 billion. We are delighted to have taken a major step forward in our strategic partnership with our foundational customer.

We continued to deliver on our ESG ambitions in the 2024 Financial Year including progressing the underground mine development and successfully powering the Kathleen Valley site with renewable energy at start-up. We have worked closely with the Tjiwarl Traditional Owners to create value for their people.

As we closed in on the transition from explorer to mine and process operator, our Board has also had a period of transition. As the milestone of first production approached, we farewelled two long-serving Directors, Craig Williams and Anthony Cipriano, who have been integral to the success of Liontown.

Craig was a founding director of our Company when it listed on the ASX in 2006 and made an enormous contribution over the intervening years, providing his vast commercial and operational expertise through discovery, development and construction of the Kathleen Valley Lithium Project.

Similarly, Anthony's contribution to Liontown cannot be overstated. Joining the Board in 2014, he served as lead independent Non-Executive Director, as well as chair of the Audit Committee and a member of the Remuneration Committee. Anthony played an integral part in the Company, providing expertise in corporate governance and commercial matters as the Company grew from explorer to developer.

Anthony's planned retirement paved the way for Ian Wells to join the Board as an independent Non-Executive Director in January 2024. A highly respected and experienced finance professional, Ian replaced Anthony as chair of the Company's Audit Committee and is a superb addition as Liontown transitions from developer to operator.

I would like to sincerely thank my fellow Directors for their ongoing support and expert guidance, and pay special tribute to Tony Ottaviano for his tireless efforts as Managing Director. The broader Liontown team and our contractors and suppliers must also be acknowledged for supporting our goals and staying the course of what has been an incredibly busy, yet rewarding, year.

For me personally, the commissioning of our Kathleen Valley Lithium Project represents a special milestone in my career. Although I have lived and breathed mining for much of the past 50 years, working on some fantastic projects with fantastic people, this is the first time I have seen a discovery through development and all the way to production.

Looking ahead, we are confidently positioned to continue to deliver against our strategy. Although we currently face a challenging lithium market and a changing geopolitical landscape, the work that was completed this year has laid the foundation for Tony and his team to focus on delivering our ramp-up into steady-state production and creating sustainable long-term value for shareholders.

On behalf of the Board, I extend my personal thanks to you, our shareholders, for your ongoing support and our people and partners for their commitment through what has, at times, been a tumultuous year and, ultimately, seeing us through to delivering the Kathleen Valley Lithium Project.

Kind regards,

Tim Goyder
Chair

Tony Ottaviano
Managing Director / CEO

FY24 has been a year of transformative growth and achievement. We have delivered on our commitments despite the many challenges, strengthened our foundations, and set the stage for continued success.

It is with immense pride that I reflect on the achievements of this past year—a year marked by both significant challenges and remarkable successes. Our accomplishments this year are a testament to the collective effort and unwavering commitment of our employees, partners, contractors, suppliers, Traditional Owners, and government stakeholders.

The safety and well-being of our people remains our highest priority. This year, we recorded over three million exposure hours in delivering our Kathleen Valley Lithium Project and achieved a Total Recordable Injury Frequency Rate (TRIFR) of 5.99, which is a very good result for a construction project, and below our target of 8.0. Furthermore, our Lost Time Injury (LTI) rate was 0.33, surpassing our target of 2.0. These outcomes reflect our relentless focus on safety. Almost 100 safety management and operating procedures have been put in place during the past 18 months to complement and support site operations. However, there is always room for improvement, and we continue to remain focused on improving our safety, management and operating systems as well as influencing the companies we work with to operate at the highest level of safety possible to ensure everyone who visits a Liontown workplace goes home safe and well.

Our success is driven by the sense of team we have created between our contracting partners and our own team members, with all focused on the common goal to deliver the Kathleen Valley Lithium Project on schedule as promised. During the past 18 months, we have recruited skilled professionals to strengthen our operational and corporate teams, ensuring we have the right people in place to achieve our goals and transition smoothly from construction through to ramp-up and steady state production.

Without doubt, keeping our Kathleen Valley Lithium Project on schedule was a remarkable achievement considering the external pressures we faced. Such has been the rate of progress, it would be impossible to run through all the project-level highlights of the past year, but some of the standouts include:

- The award of the underground mining services contract to Byrnecut Mining and the commencement of underground development in November 2023. By the end of the financial year, Byrnecut had completed approximately 3,500 development metres in line with the mine plan.
- From the first blast in the Mt Mann pit in January 2023 signalling the start of mining operations, and the subsequent mining activity at Kathleen's Corner open pit, by 30 June 2024, more than 20 million tonnes had been mined from the open pits which has delivered 190,000 tonnes of "mill ready" clean ore stockpiled ahead of first production.
- The mining activity has also produced an additional 251,000 tonnes of Ore Sorting Product (OSP) which has been stockpiled and was awaiting processing through the ore sorting plant. Sorting out the waste contaminants underlines our commitment to maximising the use of the resource and ore hygiene to maximise process plant performance. 11,000 tonnes of ore had been sorted through the ore sorting plant using a combination of laser and x-ray technology.
- Dry plant commissioning commenced in March 2024, ahead of schedule and well ahead of wet plant commissioning. The separation of the dry and wet plant builds allowed us to work through any issues in dry plant commissioning without affecting the overall project schedule.
- The structural and mechanical piping and electrical and instrumentation packages were completed by Monadelphous Group in June 2024, paving the way for the wet plant to move to the final commissioning phase.

The completion of the critical path items on schedule allowed us to commence spodumene production on time, and our open pit and underground mining operations are advancing as planned.

To ensure a smooth transition from construction to steady-state operations, we established and implemented key business systems and processes across finance, maintenance, warehousing, inventory, and people management. The deployment of these systems was a critical step in derisking our operations and positioning us for long-term success.

In a year of intense corporate activity, we worked through a take-over offer from Albemarle Corporation. When Albemarle withdrew the offer citing complexities with the transaction, we moved quickly to successfully complete a $389.6 million equity raise, including a $365 million institutional placement and share purchase plan. While market conditions led to the subsequent withdrawal of an initial $760 million Syndicated Debt Facility, we remained agile and, subsequently, secured a shorter-term $550 million Debt Facility and, in doing so, reinstated our financial position to complete project construction and initial ramp-up. Subsequent to the end of the financial year, we announced we had secured a US$250 million investment and 10-year offtake extension from our foundation partner, LG Energy Solution, which underscores confidence in our long-term strategy. As a result, the $550 million Debt Facility was cancelled.

Additionally, we have made significant strides in our downstream strategy, including an agreement with Sumitomo Corporation to explore the development of a lithium supply chain between Australia and Japan and a post-year-end agreement with LG Energy Solution to investigate establishing a lithium refinery compliant with the United States Inflation Reduction Act (IRA).

Our commitment to ESG was demonstrated with the successful installation and commissioning of our power generation infrastructure, and achieving our goal of powering the site with a minimum of 60% renewable energy at start-up. This is a significant achievement and aligns with our aim to operate in a responsible manner. There are few, if any, mining projects in the world which have achieved the same level of renewable power at start up. The hybrid power station came online during the final construction and pre-commissioning phase and we have, at times, reached 100 percent power supplied from renewables.

Our relationship with the Tjiwarl also deepened. We exceeded our spending targets with Tjiwarl businesses and contractors, within the Native Title Agreement. Close engagement with the Tjiwarl has influenced many aspects of the project – from mine design to procurement to the regional water strategy to the unique layout of the "Dragonfly" accommodation village – and we are very much looking forward to sharing the benefits with them as we enter the operational phase.

FY24 has been a year of transformative growth and achievement. We have delivered on our commitments despite the many challenges, strengthened our foundations, and set the stage for continued success. None of this would have been possible without the dedication and collaboration of everyone involved. I extend my deepest gratitude to our team, our partners, the Tjiwarl and all our stakeholders for their continued support and hard work. As we look ahead, we remain focused on creating long-term value for our shareholders and contributing positively to the communities and environments in which we operate.

I also extend my gratitude to my fellow directors for their guidance, support, wisdom and good humour during the past 12 months, and particularly to our Chair for having faith in me as a leader and steering us through the challenges along the way.

I am also grateful for the support of all our investors. We have a way to go to realise Liontown's full potential, but you have been an integral part of us getting to this point. We couldn't have done it without you.

Kind regards,

Tony Ottaviano
Managing Director / CEO

FY24 highlights

0.33
lost time injury frequency rate against a target of 2

95MW
Hybrid Power Station constructed and commissioned

$378m
equity raised net of equity raising cost

139%
employee growth

22%
of our overall workforce is female

5.4m
Bank Cubic Metres (BCM) moved

~3,500m
underground development

30,864
solar panels installed and commissioned

~3.8m
work hours

$881M
FY24 additions to Property, plant and equipment

FY24 Major milestones

July 2023
- Spodumene concentrate haulage contract awarded

August 2023
- Underground Mining Services contract awarded
- Sumitomo partnership announced

September 2023
- SMP and E&I contract award
- Albemarle revised non-binding proposal received

October 2023
- Albemarle withdraws Indicative proposal

November 2023
- Underground development commences
- First underground portal blast
- Gas supply contract awarded
- First wind turbine components arrive

December 2023
- Port Services and Access Agreement executed
- Six underground portals underway

January 2024
- Review of 4Mtpa expansion announced

February 2024
- Accommodation village services contract awarded

March 2024
- $550M Kathleen Valley debt facility agreement executed
- Process plant commissioning underway

May 2024
- Paste plant EPC contract award
- First delivery of LNG
- First ore through the crushing circuit
- SAG mill turns

June 2024
- Ultra-quad road trains arrive in Geraldton
- 95MW hybrid power station commissioned

Operating Review



Liontown has never been solely about building a project, it's been about building a world-class company.

From Explorer to Producer

In 2021 we set out to deliver our Kathleen Valley Lithium Project by mid-2024. We achieved that goal on schedule.

At the end of the financial year, our lithium project at Kathleen Valley was producing ore from the Kathleen's Corner open pit, development of the underground Mt Mann mine was well underway, the dry plant was commissioned, and we had a substantial stockpile of Run-of-Mine (ROM) and crushed ore ready for processing on-site. Commissioning of our wet plant that produces our spodumene concentrate for export was well progressed for first production. Our energy partner, Zenith, commissioned the 95-megawatt hybrid-renewable power station and, in a first for the mining industry, renewable energy was used to power the final construction and, notably, commissioning of the project.

The associated infrastructure design, construction, commissioning, recruitment, training, induction, transport and accommodation requirements have made this an intensely busy year and we are on track to meet our commitments to international customers, delivering value for our stakeholders.

At the same time, we have not lost sight of our ESG responsibilities and commitments. In everything we have achieved this year, we have respected and protected our environment, developing our natural resources responsibly. Our partners, from our customers, suppliers and landowners share our commitment to sustainable operations.

International Recognition

In the first half of the financial year, Liontown was recognised when the Kathleen Valley Lithium Project was ranked as Australia's most promising mine, and number two in the world, in Mining Journal Intelligence's Project Pipeline Handbook 2023.

Kathleen Valley was assessed against a selection of 50 projects worldwide, using an objective scoring methodology, including the collection of 25 key data points from economic studies, ranging from the early scoping stages to comprehensive feasibility assessments.

Our project received a perfect score of 10 out of 10 in the Economics and Finance ability category, highlighting its strengths in creating long-term value for our stakeholders. Additionally, we received a score of 9.3 in the Confidence category, based on the project's Definitive Feasibility Study conducted in 2021.

Lithium Market Overview

The lithium market experienced considerable volatility in FY24. China saw a rebound in inventories beginning in late 2023 as supply outpaced immediate consumption, leading to a significant price drop throughout the previous 12 months. The market remains relatively modest, with around 1.2 million tonnes of lithium carbonate equivalent, and it takes time for demand to catch up with new supply. Despite not meeting some automakers' high post-COVID energy transition targets, demand remains strong over the long-term. EV sales, the main driver of lithium demand, grew by over 20 percent in the first half of 2024. Lower lithium prices have also reduced battery costs, boosting ESS deployment by over 75 percent in the same period. Despite the immediate challenges we have faced, we remain confident our future is very bright.

Market Outlook

The underlying growth factors for lithium, most notably lithium-ion batteries for EVs and ESS, remain positive. Lower commodity prices, combined with technological advancements and enhanced manufacturing processes, have led to a decline in battery costs which, in turn, is driving growth.

Batteries are rated on kilowatt hours and, according to Bloomberg New Energy Finance, in 2023, the price per kilowatt hour dropped by 14 percent to US$139, with further reductions expected in 2024 reducing the cost by further US$6 per kilowatt hour.[1] This cost reduction has made EVs increasingly competitive compared to internal combustion engine vehicles. The International Energy Agency (IEA) reports that over 60 percent of EVs sold in China in 2023 were cheaper than their internal combustion engine counterparts.[2] Moreover, advances in technology are reducing charging times, increasing battery energy density and extending EV range, which further reduces costs and enhances the appeal of EVs.

Notwithstanding the steep fall in lithium pricing during the financial year, with spot prices dropping from a monthly average of around US$46,000 per tonne of battery-grade lithium hydroxide in July 2023[3] to an average of nearly US$13,500 per tonne in June 2024, the demand for lithium has remained largely robust, driven primarily by the growth in the EV sector. China played a pivotal role, accounting for 60 percent of global EV sales with an increase of nearly 43 percent.[4] Globally, 14 million EVs were sold in 2023, constituting 17.5 percent of global passenger vehicle sales. This is up from 13.5 percent in 2022.[5] According to the IEA, EV sales in 2023 were 3.5 million higher than in 2022, a 35 percent year-on-year increase. This indicates robust growth even as many major markets enter a new phase, with uptake shifting from early adopters to the mass market.[6] EV sales are expected to grow in 2024 to reach 18.1 million units (up more than 4.1 million units year-on-year) achieving EV market penetration of 21.4 percent.[7]

The trends in EV sales indicate that growth remains robust as electric car markets mature

While the ESS market is a smaller driver of lithium demand, representing around 8.5 percent of total lithium demand in 2023, demand growth has been robust, increasing 75 percent over the previous year. In 2024, as battery pack prices have decreased, demand for ESS installations has grown quickly. Expected growth rates of nearly 40 percent in kilowatt hours terms, indicates ESS will become an increasingly significant driver of lithium demand.[8]

1 BloombergNEF 2023 Lithium-Ion Battery Price Survey, November 27, 2023, page 1,2
2 IEA The world's electric car fleet continues to grow strongly, with 2024 sales set to reach 17 million, April 23, 2024
3 Benchmark Mineral Intelligence's assessment of spot lithium hydroxide with a minimum content of 56.5% in Asia
4 Wood Mackenzie Global Electric Vehicle & Battery Supply China Risked EV Outlook – Q2 2024
5 Wood Mackenzie Global Electric Vehicle & Battery Supply China Risked EV Outlook – Q2 2024
6 IEA-Global EV Outlook 2024
7 Wood Mackenzie Global Electric Vehicle & Battery Supply China Risked EV Outlook – Q2 2024
8 Wood Mackenzie Global Lithium Strategic Planning Outlook – Q2 2024

Kathleen Valley Lithium Project

Our focus throughout the year on delivering the Kathleen Valley Lithium Project safely to schedule did not waver and we met the first production target of mid-2024 we set ourselves several years ago. The sense of achievement is evident across our remote but busy site.

Contracts awarded

In keeping the project to the schedule set back in 2021, significant key contracts for mining, construction and operations were awarded, including:

- July 2023 – Qube was awarded a five-year contract for the haulage of spodumene concentrate from the mine site to the port of Geraldton, 680 kilometres away[9].
- August 2023 – Byrnecut was awarded the underground mining services contract . The contract was executed in September 2023 and by October they had mobilised to site[10].
- September 2023 – The final major construction contract for the Project awarded to Monadelphous for the fabrication and installation of structural and mechanical piping as well as electrical and instrumentation components in the processing plants[11].
- November 2023 – Clean Energy Fuels Australia (CEFA) was awarded the contract for LNG supplies for the 95MW hybrid power station on-site at Kathleen Valley. Supply commenced in January 2024[12].
- December 2023 – Signed a Port Services and Access Agreement with Mid West Ports Authority, ensuring that the final link in our supply chain to tier-one clients is secure until at least 2033[13].
- May 2024 – The execution of an Engineering, Procurement and Construction (EPC) contract with GR Engineering Services Limited (GRES) for the delivery and commissioning of the paste plant facility, which included the construction[14] and commissioning of two trains capable of producing up to 160 cubic metres of paste per hour.

Beyond these high value contracts, Liontown has concluded business arrangements with a myriad of smaller local and Indigenous suppliers who will keep our project running, ranging from fresh food to cleaning, transport, site services, and more.

[9] ASX 19 July 2023: Liontown awards Spodumene Concentrate haulage contract
[10] ASX 17 August 2023: Liontown awards Underground Mining Services
[11] ASX 13 September 2023: Liontown awards Structural Mechanical Piping Contract
[12] ASX 8 November 2023: Liontown awards gas supply contract
[13] ASX 4 December 2023: Liontown secures long-term Port Services & Access Agreement
[14] ASX 10 May 2024; Liontown executes Paste Plant EPC Contract

Mining Operations

Just 18 months ago, in January 2023, the first blast at Kathleen Valley signalled the commencement of mining operations. Since that time, open pit mining has progressed extremely well, with over 5.4 million BCM mined in FY24. The result is that we had sufficient ore stockpiled in line with ramp-up schedules by the end of the financial year, ready for process plant commissioning and the first concentrate production.

Open pit mining concluded at Mt Mann, with the final blast fired in August 2023, to make way for underground development. With the execution of the contract to undertake underground mining operations in September 2023, Byrnecut moved quickly, mobilising to site by October 2023 and blasting the first of six portals for underground mining development in November. By the end of 2023, the development of all six portals was underway, with four declines and two ventilation portals.

Underground development progress has been steady and, by the end of the financial year, approximately 3,500 total development metres had been completed since commencing underground mining in November 2023, which is in-line with the mine development plan. Work on completing the requisite ventilation continued to advance and underground substations were installed to provide power. By the end of the financial year, underground operations had been connected to the hybrid power station network.

The commitment of our lead contractor, Byrnecut is commendable, with it investing in our project with new equipment, including a new long hole production rig, rhino rig, twin boom jumbo, additional truck, and loader.

Our open pit contractor, IMC, continues to work in partnership with our mine planning team to maximise the material movements from the open pit mine.

Ore hygiene (i.e. minimising waste rock contamination) remains a clear and important focus for mine operations with high quality, low impurity ore for milling a priority.

Since April 2024, we have been undertaking an ore sorting trial utilising a combination of laser and x-ray technology to separate useable ore from what has been identified as near-waste rock. The initial results of the ore sorting process have been positive and the sorted material is being stockpiled to supplement the stockpile for commissioning and plant ramp-up activities. Separating out the usable ore

and feeding it through the ore sorter allows us to maximise the proportion of ore for processing and reduce wastage.

Dealing with waste rock in an environmentally responsible way is part of our ESG approach, and by the end of the financial year, stage one of the tailings storage facility had been completed.

Construction of the paste plant to support our underground mining activity commenced in January 2024. The paste plant is a critical part of our underground mining process and ESG commitment, as the paste it produces uses tailings combined with cement to backfill the mine and underground stopes following completion. The plant has been designed to facilitate dry stacking and water recovery when not paste filling. Hence the amount of recycled water the site utilises is further increased, with the effect of reducing overall water usage on-site and future tailings dam requirements.

Mining Review

Given the decrease in lithium prices since the record highs of December 2022, our management team deemed it prudent to review the planned output of the project. The initial objective was to undertake underground development work to increase output to four million tonnes per annum, however, in January 2024, Liontown commenced a review of the planned expansion and associated ramp-up of Kathleen Valley to preserve capital and reduce the near-term funding requirements of the Project[14]. The review includes examining options to defer the timing of the previously announced four million tonne per annum underground development work, sequencing adjustments to the mine plan, and scope for additional cost optimisations. This review did not affect the construction of the process plant and associated infrastructure of the mine. Liontown aims to provide further updates on the mine optimisation work in FY25.

Process Plant Construction

By the end of the financial year, construction of the Kathleen Valley Lithium Project, including the process plant and associated infrastructure, had been largely completed – the result of more than three and a half million work hours delivered by a peak workforce of over 1,000 people working on-site.

In March 2024, the dry plant, the primary and secondary crushers, conveyors and the fine ore bin were completed and commissioning commenced. Crushing commenced early May 2024 with crushed ore stock piled ready for future processing. A key factor that ensured the Project stayed on schedule was the decision to separate the build of the wet and dry plants to ensure that the dry plant could be commissioned well ahead of the wet plant. This has allowed us to work through any issues that inevitably occur during dry plant commissioning without impacting the schedule we set ourselves to deliver first production mid-2024.

In the wet plant, the SAG mill, filtration area and flotation circuit progressed to plan. In June 2024, structural mechanical piping and electrical and instrumentation was largely complete with the plant in the final commissioning phases at financial year end.

The dry and wet plants were commissioned and first production of spodumene concentrate was achieved at the end of July 2024. This represents solid progress since the 2023 Annual Report, which detailed the schedule and commencement of construction activities as planned.

Non-Process Infrastructure

Accommodation Village

Our innovative Dragonfly (Tjukuparra) accommodation village is fully operational with the construction of all permanent facilities complete, including the dining room and indoor and outdoor bar facilities, a gym and recreation areas, and a café/convenience store. The village has all safety lighting and security measures in place to make it a secure and friendly home away from home for our team.

[14] ASX 22 January 2024: Project and Funding Update

Power

Liontown has adopted a net-zero target by 2034 for the Kathleen Valley site. We have made progress toward meeting this goal, including implementing a hybrid renewables power system that will meet our energy requirements, with at least 60 percent coming from renewable sources.

To deliver the power we need and to ensure a consistent supply, our energy partner, Zenith Energy, completed the construction and commissioning of a 95-megawatt hybrid power station. The installation and connection included 30,864 (16-megawatt) solar panels, construction of five (6-megawatt each), 210-metre wind turbines and an 18-megawatt battery system to store surplus energy generated by our renewables.

Upon the completion of the hybrid power station in June 2024, 67 percent of the electricity generated came from renewable energy sources, including wind and solar. This collectively began powering our accommodation village and process plant with renewable energy.

To monitor and improve performance, we track greenhouse gas emissions using a digital platform capturing emissions data and using analytics to identify opportunities to minimise emissions. At the same time, we are advancing our decarbonisation pathway, focusing on Scope 1 emissions created directly by our operations and Scope 2 emissions associated with the electricity we purchase.

This work has enhanced our understanding of potential climate related risks and opportunities across short, medium, and long-term time horizons. Our decarbonisation strategy explores several pathways, including energy efficiency improvements, increased renewable energy integration, a detailed mine materials handling study, strategic collaborations and partnerships, and the adoption of low-emission fuels.

Downstream Strategy

Investigating the opportunity to upgrade our spodumene from Kathleen Valley to higher value lithium products is part of our strategy for creating long-term value for our shareholders and investors, however market conditions will continue to inform how we progress. Our Kathleen Valley operation will be producing spodumene for 20-plus years, providing Liontown the time to continue exploring opportunities to move further down the supply chain, but we will only do so if it presents a compelling investment opportunity for shareholders.

In August 2023, we agreed with the Sumitomo Corporation of Japan to explore the feasibility of the development of a lithium supply chain between Australia and Japan.

The objective is to determine how best to use Liontown's ore to participate in lithium chemical conversion. The joint study, which is expected to take two years, will explore using spodumene produced by our plant or, alternatively, using lithium sulphate produced in a future Western Australian based plant. The Japanese Ministry of Economy, Trade, and Industry has approved the joint study partnership and has offered to assist in engaging local stakeholders.

In July 2024, in our expanded partnership announcement with LG Energy Solution, we also announced a downstream collaboration agreement to investigate the establishment of a lithium refinery that would be compliant with the United States Inflation Reduction Act (IRA)[15]. Targeting what we view as a market gap in IRA-compliant refineries to meet future demand, the aim is to process spodumene from Kathleen Valley into battery-grade lithium chemicals.

This collaboration, coupled with Liontown's downstream pre-feasibility with Sumitomo Corporation, is consistent with Liontown's strategy of investing in low-cost opportunities to extract maximum value through vertical integration in the battery value chain and we will provide updates in FY25 on the progress of this work.

Exploration

Kathleen Valley

With the mining operations well underway, no mineral exploration work was undertaken at Kathleen Valley during the financial year.

Buldania

The Buldania Project has an indicated and inferred mineral resource of 15 million tonnes of lithium dioxide at approximately one percent.

During this financial year, we conducted scoping-level metallurgical test work on core samples recovered from the Anna deposit at Buldania as part of a broader scoping study. Some additional metallurgical test work was carried out in the second half of FY24 to supplement results received so far. An engineering study to develop the metallurgical flowsheet, process design and estimation of capital and operating costs is also underway in parallel.

Corporate Update

In September 2023 Liontown announced that it had received a non-binding indicative offer by US multinational Albemarle Corporation. An initial offer was rejected by Liontown during FY23[16], and a revised conditional and non-binding indicative proposal was received from Albemarle on 4 September 2023[17]. This offer to acquire 100% of Liontown was based on $3.00 in cash per share via scheme of arrangement. In October 2023, Albemarle withdrew the offer citing the complexities associated with executing the transaction[18].

Funding

In October 2023, a $389.6 million equity raise (excluding fees) was successfully completed, which included a $365 million institutional placement[19], alongside a credit-approved $760 million Debt Facility[20] with a syndicate of domestic and international lenders. Subsequently, on 13 March 2024, Liontown executed a replacement $550 million Debt Facility with a subset of lenders to replace the prior facility which was withdrawn[21]. The shorter-term funding was designed to support revised production targets of three million tonnes per annum and was expected to be drawn early in financial year 2025.

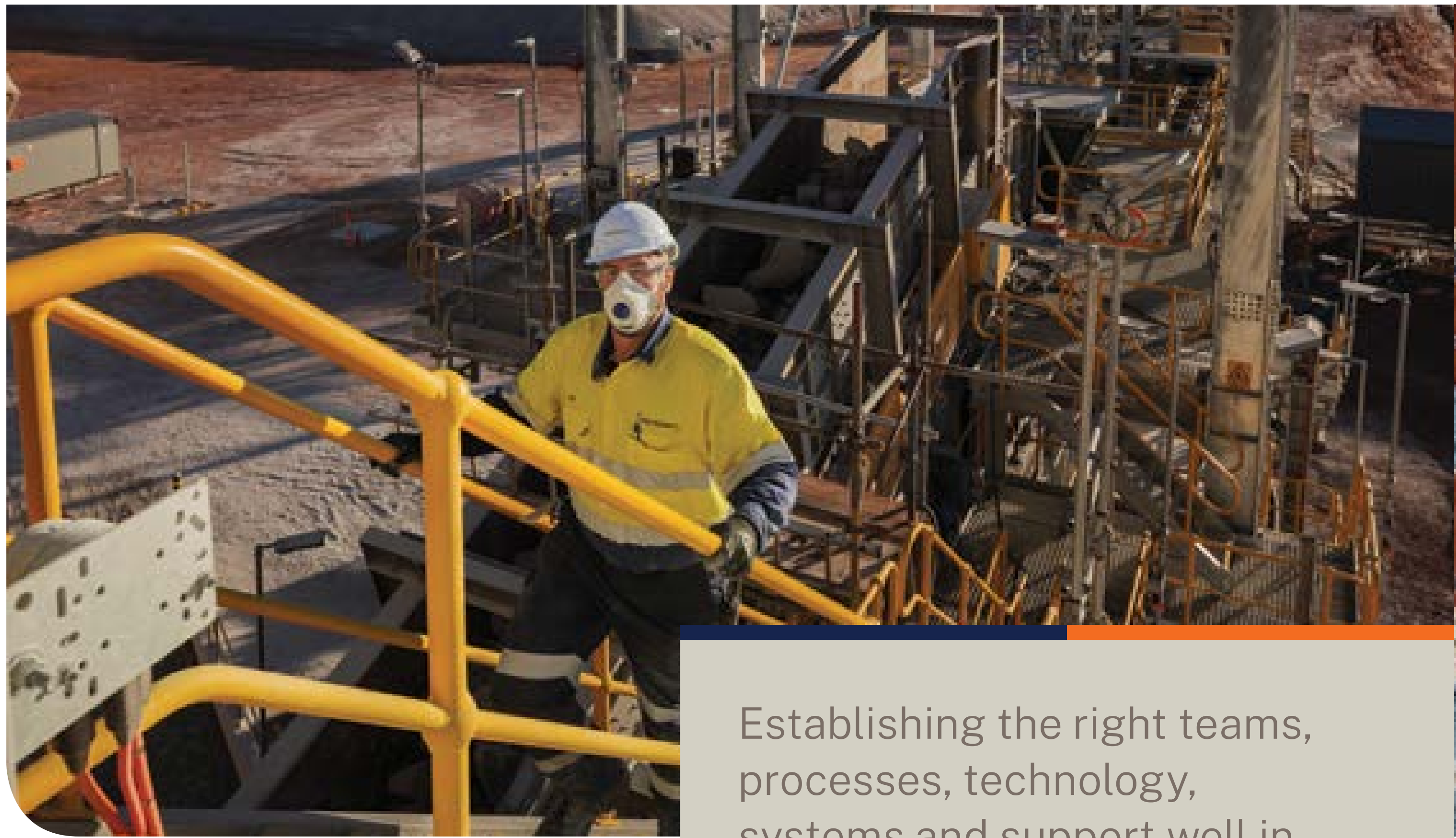
At the end of the financial year, Liontown had a cash balance of $122.9 million.

Subsequent to the end of the financial year, on 2 July 2024, Liontown announced a US$250 million (A$372 million[22]) investment and 10-year offtake extension from foundational partner, LG Energy Solution, paving the way for long-term growth from Kathleen Valley[23]. The funding via Convertible Notes, replaces the debt facility agreement executed on 13 March 2024, which was no longer required and was cancelled.

The Convertible Notes provide Liontown the balance sheet strength to fund the ramp up of Kathleen Valley.

The deepening of our long-term partnership with LG Energy Solution, which also includes an extended 15-year offtake agreement and joint venture to explore downstream processing, followed an extensive due diligence process, further reinforcing the tier-one qualities of Kathleen Valley and reflecting Liontown's position as an emerging producer of high quality, fully IRA-compliant, lithium raw materials.

[15] ASX 2 July 2024: Strategic partnership to deliver long-term funding
[16] ASX 28 March 2023: Liontown rejects Indicative Proposal from Albemarle
[17] ASX 4 September 2023: Revised Proposal from Albemarle
[18] ASX 16 October 2023: Albemarle and Liontown not proceeding with proposed scheme
[19] ASX 20 October 2023: Liontown successfully completes Institutional Placement
[20] ASX 19 October 2023 Kathleen Valley Funding Package
[21] ASX 13 March 2024 Kathleen Valley Debt Facility
[22] Based on indicative USD:AUD exchange rate of 0.6715
[23] ASX 2 July 2024: Strategic partnership to deliver long-term funding



Establishing the right teams, processes, technology, systems and support well in advance has enabled us to deliver Kathleen Valley on schedule and prepare for steady state reporting.

Business Readiness

Across our entire business, transformational changes have taken place during the last financial year, and further challenges and changes lie ahead as we move into steady state production at Kathleen Valley and pursue our longer-term strategy. Business Readiness is therefore a core activity we invest in to ensure that our plans and objectives are met in timely and cost-effective ways.

At the beginning of 2024, ahead of first production, work commenced on Liontown's Business Readiness plan. This plan integrates the efforts of all functional and operational areas, detailing the necessary steps and what is required to prepare for production at Kathleen Valley, and outlines our operational strategies for commencing production. Identifying the specific tasks and timelines required to achieve steady-state operations has ensured a cohesive approach across the Company.

Central to the Business Readiness plan to derisk the transition from being in construction to steady state operations was to develop a well-thought-out workforce plan well ahead of when we needed people on board. Throughout FY24, we recruited across most areas of the business to complete, commission and operate the various components of the Kathleen Valley Lithium Project.

Ahead of commissioning, our processing team was recruited and got to work on developing the safe work practices, policies, procedures, training plans and manuals for operating the Kathleen Valley process plant to ensure that they were in place prior to first production. Our aim was to ensure that everyone who joins the team has access to the information, training and manuals that they need to perform their duties.

Similarly, our maintenance team was brought on well ahead of first production and set to work on de-risking the project by ensuring that there were spare parts on-site for all components of the process plant pre-start-up. The team has developed the detailed plans for how our maintenance will be managed and when spare parts are required. Putting in the work upfront will assist in achieving maximum uptime, efficiencies and keep maintenance costs down.

As we gear up for operations at Kathleen Valley, during the financial year, we progressed the blueprint for how we manage materials, improve efficiency, track performance and reduce our manual workload. As an explorer, performance was tracked manually. In preparing for our transition to mining and process operator, we have removed much of the manual tracking of data and information across our Company by implementing integrated systems. This will allow us to track our performance with access to one accurate source of truth across the Company, preparing us for reporting our performance to the market once we are in production.

Our ESG Pillars

ESG is in our DNA – we have designed our Company and operations with ESG at the centre.

Respecting and Protecting

- We promise to respect and protect everyone who is part of us.
- Our sense of team ensures we are all safe and included.

Partnering with others

- We are proud to partner with customers and suppliers who can demonstrate their ESG credentials.
- We work hard to ensure that the raw materials we produce are extracted efficiently and responsibly.

Developing Natural Resources Responsibly

- The materials we produce are a critical input to global decarbonisation.
- It is our responsibility to produce them with the lowest possible carbon footprint statement and manage the environmental impact at every stage.

Creating Social and Economic Value

- We aim to deliver real value from the lands on which we will operate.
- Together, we will set a new benchmark for the mining industry in Western Australia in recognising and protecting Heritage and Country.

Operating with Integrity

- Individually and collectively, we demonstrate leadership through the governance mechanisms we have in place.
- We do what we say we will do, for the right reasons and with respect.

ESG Performance

Our business is built on the premise of helping the world transition to a low-carbon future. As part of our commitment, the Board of Directors, the executive team and the people that work for, and with, Liontown all share a common aim of leading by example. We aspire to demonstrate how ESG can be incorporated into our business strategy, creating better economic, environmental and social outcomes.

Throughout FY24, we continued to work towards achieving our ESG commitments.

Environmental Performance

43,551.18 tonnes CO_2e of operational greenhouse gas (GHG) emissions

419t of steel and scrap metal recycled

1,663 tonnes of waste deposited to landfill

46MW of renewable energy sources installed

ZERO reportable environmental compliance breaches or incidents

32.7ML of water recycled from Wastewater Treatment Plants

Mt McClure borefield acquired to facilitate project demand for water

61.38% Overall water abstracted of 1.2GL licence

Social Performance

0.33
lost time injury frequency rate

22.08%
overall workforce is female

1,083
hours of cultural awareness training completed

8,643
hours employee training delivered

2
Gender pay parity concerns assessed for comparable positions within the business

5
heritage surveys undertaken across the Kathleen Valley Lithium Project

Governance Performance

33%
Female Board composition

18
Board meetings held in FY24

Materiality assessment undertaken
including employees, customers, suppliers, investors

ZERO
reported instances of material non-compliance

Whistleblower & Grievance Mechanism
implemented for greater transparency and monitoring

ZERO
reported breaches of anti-bribery and corruption policy

Strengthened risk management framework

Human Rights Policy published

Economic Performance

$881M
FY24 additions to Property, plant and equipment

$378M
net equity raised in FY24

>$5M
project work awarded to Tjiwarl business and contractors

230
total permanent jobs created

$122.9M
cash at bank at 30 June 2024

$48M
FY24 employee wages and on-cost

Directors' Report

Directors' Report

The Directors present their report together with the Consolidated Financial Statements of the Group consisting of Liontown Resources Limited (Liontown or the Company) and its controlled entities for the financial year ended 30 June 2024 and the independent auditor's report thereon.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Timothy Goyder **Non-Executive Chair**	
Experience:	Mr Goyder is a highly regarded mining executive with over 48 years' experience within the resources industry. He has been involved in the formation and management of several publicly listed companies, focussed on mineral exploration and development. During his career Mr Goyder has had considerable experience in capital raising within both the Australian and international markets. Mr Goyder was appointed as Non-Executive Chairman on 2 February 2006.
Interest in shares and options at the date of this report:	335,699,175 ordinary shares
Special responsibilities:	Member of the Remuneration Committee.
Directorships held in other listed entities in the last three years:	Mr Goyder is currently Non-Executive Chairman of DevEx Resources Limited, Non-Executive Director of Minerals 260 Limited, Non-Executive Director of entX Limited (not listed) and was previously Non-Executive Chairman of Chalice Mining Limited (resigned 24 November 2022).

Antonino Ottaviano BEng (Mechanical), MBA **Managing Director and Chief Executive Officer**	
Experience:	Mr Ottaviano is a global mining executive, with over 30 years' experience leading operations across Australia, the Americas, Asia, Europe and Africa. Prior to joining Liontown, he held senior executive roles with two of the world's largest mining companies, BHP and Rio Tinto, establishing a successful track record in Operations, M&A, project delivery and business transformation programs, most recently as Group Performance and Improvement Officer with BHP Limited. Mr Ottaviano was appointed Managing Director on 5 May 2021.
Interest in shares and options at the date of this report:	6,592,447 ordinary shares 384,162 unlisted short-term incentive (STI) performance rights 3,535,493 unlisted long-term incentive (LTI) performance rights
Special responsibilities:	None
Directorships held in other listed entities in the last three years:	None

Ian Wells B Bus. FCPA and GAICD **Independent Non-Executive Director**	
Experience:	Mr Wells is a highly respected and experienced finance professional with more than 20 years' operational experience across all finance functions, and in a range of industries including bulk mining, port, rail, and energy infrastructure. Most recently, Mr Wells served as Chief Financial Officer of ASX Top 10 company Fortescue Metals Group Limited for five years to January 2023. He is a senior executive and leader with corporate finance, multi-billion-dollar funding, capital management and business transformation expertise. Mr Wells was appointed as a Non-Executive Director on 1 January 2024.
Interest in shares and options at the date of this report:	190,000 ordinary shares
Special responsibilities:	Chair of the Audit Committee, member of the Remuneration Committee from 1 January 2024 and Lead Independent Director from 26 September 2024.
Directorships held in other listed entities in the last three years:	None

Jennifer Morris B.Arts, AICD, INSEAD **Independent Non-Executive Director**	
Experience:	Ms Morris is an accomplished corporate executive and Non-Executive Director, with key experience in advising corporations and government entities on strategy development, governance controls, complex large-scale business transformation, human capital related work, the embedding of environment, social and governance related policies and the understanding of high-performance environments learned during her varied career including elite sport. Ms Morris is a former partner of global professional services firm Deloitte where her career spanned more than 10 years working across the mining, government and transport sectors. Ms Morris was also previously a Senior Marketing Analyst for Rio Tinto Iron Ore. Ms Morris was appointed as a Non-Executive Director on 24 November 2021.
Interest in shares and options at the date of this report:	141,619 ordinary shares 500,000 unlisted options
Special responsibilities:	Chair of the Remuneration Committee from 1 October 2022, member of the Audit Committee to 30 September 2022 and member of the Sustainability & Risk Committee from 1 October 2022.
Directorships held in other listed entities in the last three years:	Ms Morris is a Non-Executive Director of Sandfire Resources Ltd and was previously a Non-Executive Director of Fortescue Metals Group Ltd (resigned 30 June 2023).

Shane McLeay B Eng Mining (Hons) FAusIMM AWASM
Independent Non-Executive Director

Experience:	Mr McLeay is a mining engineer and senior manager in the resource sector with over 25 years' experience. He has a strong track record in starting up and operating mines of varying scale, with a skillset that includes project management, building highly capable teams and overseeing operational ramp-up to steady-state production. He has extensive experience in senior operational site management, predominantly in gold and base metal hard rock mines, prior to founding Entech in 2010. Mr McLeay was appointed as a Non-Executive Director on 3 May 2022.
Interest in shares and options at the date of this report:	180,409 ordinary shares
Special responsibilities:	Member of the Audit Committee from 1 July 2022 and member of the Sustainability & Risk Committee from 1 October 2022.
Directorships held in other listed entities in the last three years:	None

Adrienne Parker LLB MAICD
Independent Non-Executive Director

Experience:	Ms Parker is a highly esteemed lawyer and Non-Executive Director with over 25 years' experience in the infrastructure, energy and resources sectors. As a partner in national and global law firms, and most recently Head of Pinsent Masons' Perth office, she specialised in procurement and delivery of large construction, engineering, energy and mining projects across a number of jurisdictions worldwide, and was part of the leadership group overseeing the business and driving strategy and growth. Ms Parker has extensive legal and commercial expertise and skills in business planning and strategy, risk management, leadership and change management, corporate governance and sustainability. Ms Parker was appointed as a Non-Executive Director on 1 October 2022.
Interest in shares and options at the date of this report:	10,100 ordinary shares
Special responsibilities:	Member of the Audit Committee from 1 October 2022 and Chair of the Sustainability & Risk Committee from 1 October 2022.
Directorships held in other listed entities in the last three years:	Ms Parker is currently a Non-Executive Director of Fleetwood Limited, Resolute Mining Limited and NRW Holdings Limited.

Anthony Cipriano B.Bus, CA, GAICD
Independent Non-Executive Director (resigned 31 December 2023)

Experience:	Mr Cipriano is a Chartered Accountant with over 30 years accounting, corporate and finance experience. Mr Cipriano was formerly a senior partner at Deloitte and at the time of his retirement he was the Deloitte National Tax Leader for Energy and Resources and leader of its Western Australian Tax Practice. Mr Cipriano has significant experience working in the resource sector, and in particular dealing with corporate, legal and financial matters. Mr Cipriano was appointed as a Non-Executive Director on 1 July 2014.
Interest in shares and options at the date of this report:	16,120,410 ordinary shares
Special responsibilities:	Chair of the Audit Committee, Member of the Remuneration Committee, Lead Independent Director (effective 1 January 2022) and previously Chair of the Remuneration Committee until 30 September 2022.
Directorships held in other listed entities in the last three years:	Mr Cipriano is Non-Executive Chairman of Minerals 260 Limited.

Craig Williams BSC (Hons)
Independent Non-Executive Director (resigned 31 March 2024)

Experience:	Mr Williams is a Geologist with over 40 years' experience in mineral exploration and development. Mr Williams co-founded Equinox Minerals Limited in 1993 and was President, Chief Executive Officer and Director prior to Barrick Gold's takeover of Equinox. He has been directly involved in several significant discoveries, including the Ernest Henry Deposit in Queensland and a series of gold deposits in Western Australia. In addition to his technical capabilities, Mr Williams also has extensive corporate management and financing experience. Mr Williams was appointed as a Non-Executive Director on 14 November 2006.
Interest in shares and options at the date of this report:	30,787,924 ordinary shares
Special responsibilities:	Member of the Audit Committee until 30 June 2022 and Member of the Remuneration Committee until 30 April 2022.
Directorships held in other listed entities in the last three years:	Mr Williams was previously Non-Executive Chairman of OreCorp Limited (resigned 16 November 2022), Non-Executive Chairman of Solstice Minerals Limited (resigned 16 November 2022) and Non-Executive Director of Minerals 260 Limited (resigned 22 November 2022).

Company Secretary

The name and details of the Company Secretary in office during the financial year and until the date of this report are as follows:

Mr Clint McGhie B.Com, CA, AGIA	
Experience:	Mr McGhie is an experienced Chartered Accountant and Company Secretary who commenced his career at a large international accounting firm and has since been involved with several ASX and AIM listed exploration and development companies operating in the resources sector, including Minerals 260 Limited, Salt Lake Potash Limited, Berkeley Energia Limited and Sovereign Metals Limited. Mr McGhie is a Fellow of the Governance Institute of Australia (Chartered Secretary), and a Fellow of the Financial Services Institute of Australasia. He was appointed Company Secretary on 5 May 2021.

Directors' Meetings

The number of board and committee meetings attended by each Director during the year are as follows:

	Board Meeting		Audit Committee		Remuneration Committee		Sustainability & Risk Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
T Goyder	18	18	-	-	6	6	-	-
A Ottaviano	18	18	-	-	-	-	-	-
I Wells	9	9	2	2	3	3	-	-
J Morris	18	18	-	-	6	6	4	4
S McLeay	17	18	4	4	-	-	4	4
A Parker	18	18	4	4	-	-	4	4
A Cipriano	8	9	1	2	2	3	-	-
C Williams	15	15	-	-	-	-	-	-

Principal Activities

The principal activities of the Company during the course of the financial year were mineral exploration, evaluation and development.

Review of Operations

The Directors present the operating and financial review of the Company for the year ended 30 June 2024.

Operating performance

The information provided in the review is set out in pages 21 to 31 of this Annual Report and forms part of the Directors' Report and provides information to assist users in assessing the operations and activities of the Group.

Financial performance

The Group reported a net loss after tax of $64.9 million for the year compared to a net loss after tax of $22.2 million in 2023. The $42.7 million increase in the loss after tax is mainly attributable to an increase in corporate and administration expenditure ($23.3 million) and an increase in finance expenses ($21.7 million).

The increase in corporate and administration expenditure has been driven by an increase in corporate activity as the Group increases headcount and develops the necessary systems and procedures to support the commencement of operations. In addition to the above, the Group also incurred approximately $4 million in costs relating to the Albemarle offer which primarily relates to advisor fees.

The increase in finance expense is reflective of the Group's focus on securing the additional funding to complete the contruction and ramp up of the Kathleen Valley Lithium Project (the Project). The Group ran parallel funding processes to ensure that funds were secured and sufficient for the completion of construction and ramp up of operations. The funding processes included traditional bank debt as well as alternative funding solutions. On 19 October 2023, the Group announced that it had signed a commitment letter and credit approved term sheet with a syndicate of lenders for a $760 million debt funding facility, subject to the parties agreeing formal documentation and other customary conditions precedent. Due to significant reductions in independent forecast pricing for lithium hydroxide and spodumene concentrate, the commitments for the $760 million facility were cancelled in January 2024 and the Group then commenced discussions with a lending syndicate on a revised smaller debt facility. On 13 March 2024 the Group announced that it had entered into a $550 million debt facility agreement with drawdown subject to the satisfaction of remaining conditions precedent to utilisation. On 2 July 2024 the Group announced that it had secured a US$250 million convertible notes facility with LG Energy Solution, Ltd (LGES) to replace the $550 million debt facility. The $550 million debt facility commitments were subsequently cancelled. Refer to the note on Events Subsequent to Reporting Date for more information.

All costs related to the cancelled debt facilities have been expensed during the year. The costs relating to these activities totalled approximately $21.3 million and covered commitment fees, advisory fees, legal fees and the accelerated amortisation of capitalised borrowing costs relating to the Ford debt facility.

The Group continued the capitalisation of costs related to the development of the Project with approximately $677.7 million of costs capitalised during the year.

Financial position

At balance date the Group had net assets of $770.1 million (2023: $449.7 million), and an excess of current assets over current liabilities of $42.9 million (2023: $248.4 million).

The Group cash on hand was $122.9 million as at 30 June 2024 (2023: $305.4 million).

The carrying value of property plant and equipment increased by $871.2 million to $1,200.6 million at 30 June 2024. Capitalised Project development costs was the main contributor to the year-on-year movement with a total of $677.7 million of costs capitalised during 2024. The Group has recognised a $23.1 million rehabilitation asset (2023: $9.5 million) and a corresponding rehabilitation provision in line with the increased disturbance associated with development of Kathleen Valley.

Trade and other payables increased by $54.5 million to $128.0 million at 30 June 2024 (2023: $73.5 million). Accrued expenses accounted for $122.2 million of the balance and primarily related to Project development and mining costs.

Non-current interest bearing liabilities and borrowings of $317.7 million at 30 June 2024 is primarily related to the fully drawn $300 million Ford term loan facility and capitalised interest. Refer to note 18 for further details.

Statement of cashflows

Net cash outflow from operating activities was $47.0 million (2023: $16.4 million) which included cash inflows of $18.6 million related to interest income from term deposits. The $37.3 million increase in cash paid to suppliers and employees relates to the general increase in corporate activities as well as the inclusion of open pit related mining costs from 1 February 2024.

Net cash outflows from investing activities increased by $436.7 million to $680.8 million (2023: $244.1 million). The increase in cash outflows was primarily driven by the increased development activities at Kathleen Valley.

Net cash inflows from financing activities of $545.3 million (2023: $112.8 million) was primarily comprised of the $181.3 million drawdown of the $300 million Ford financing facility and $378.8 million net proceeds from the issue of shares.

Corporate

Board Changes

Mr Ian Wells was appointed as Independent Non-Executive Director effective 1 January 2024. Mr Wells is a highly respected and experienced finance professional with more than 20 years' operational experience across all finance functions, and in a range of industries including bulk mining, port, rail, and energy infrastructure. Most recently, Mr Wells served as Chief Financial Officer of ASX Top 10 company Fortescue Metals Group Limited for five years to January 2023. He is a senior executive and leader with corporate finance, multi-billion-dollar funding, capital management and business transformation expertise.

Mr Well's experience will bring strong financial, commercial and corporate experience to the Board.

Mr Anthony Cipriano retired from his role as a Non-Executive Director of the Company on 31 December 2023, followed by Mr Craig Williams, who retired as a Non-Executive Director on 31 March 2024. Both Mr Cipriano and Mr Williams played an instrumental role and made very valuable contributions to the Company's growth and success.

Albemarle Indicative Non-Binding Proposal

In September 2023, the Company received a revised non-binding indicative proposal from global lithium company Albemarle Corporation (Albemarle), at a price of $3.00 per share via a scheme of arrangement. After carefully considering the revised indicative proposal, the Liontown Board determined to grant Albemarle an opportunity to conduct a limited period of exclusive due diligence, subject to customary fiduciary exceptions, to enable it to put forward a binding proposal, subject to the parties agreeing to a mutually acceptable non-disclosure and exclusivity agreement.

In October 2023, Albemarle announced that it had withdrawn its indicative proposal and would not move forward with the proposed acquisition of Liontown due to increasing complexities in executing the transaction.

Business Strategies and Prospects for Future Financial Years

The strategy of the Group is to create long-term shareholder value, demonstrate how ESG can be incorporated into our business to create better outcomes and be a globally significant provider of battery minerals for the rapidly growing clean energy market. To achieve its objective, the Group currently has the following business strategies and prospects:

(i) Realise the Project's full potential by becoming a globally significant supplier of spodumene;

(ii) Downstream Expansion: investigate options to develop integrated operations to capture higher margins; and

(iii) At the opportune time, expand the portfolio through organic growth (including the Buldania Lithium Project), value accretive merger and acquisition, and/or exposure to the circular economy.

Liontown's activities are subject to inherent risks that may impact the ability of the Board to achieve its business strategies. An effective risk management system and a clear understanding of our risk appetite, supports our efforts to achieve Liontown's strategic objectives and prospects. This approach allows us to develop detailed knowledge of the material risks which could impact our performance and implement mitigating strategies that protect our short and long term objectives. The material risks, as well as initiatives and strategies to manage potential impacts are outlined below.

Work Health and Safety

Prioritising safety across all our business operations is critical to protecting the lives and wellbeing of our employees, contractors and other stakeholders. Safety is a core value at Liontown, and it is our responsibility to cultivate a culture where safety is non-negotiable. In the event of a major safety incident caused by a principal mining hazard that results in serious injury and/or death, or another significant event causing harm, including psychosocial harm or sexual harassment, Liontown could face significant regulatory fines, the potential for operational disruption, financial losses and reputational damage.

Our efforts to prevent and mitigate work health and safety incidents extend beyond ensuring that fit for purpose safety systems and processes are in place. We invest in continuous safety training and education, ensuring we have appropriately trained emergency personnel and equipment, conduct regular audits, field visits and compliance checks by the leadership team, independent experts and regulatory bodies.

Operations

As we enter the commissioning and ramp-up phase of the process plant and concentrate production, we face mining and processing risks which may result in lower than planned production. These issues may arise from mine plan reconciliation, ROM pad mismanagement, processing grade and recovery issues, lack of operating knowledge for processing or failure/ underperformance of key equipment. If these risks eventuate, we may be unable to meet our offtake agreements and be subject to contractual consequences, and may not achieve our revenue targets required to meet our financial obligations.

The implementation of business readiness planning to enable the business to support operations, ensuring we employ a work force with the right skillset, regularly updating the block model for the ore body and implementing strong processes for detailed ore characterisation and sampling allow us to manage issues which we face during this critical phase of production. The Company seeks to maintain appropriate sparing for key equipment where appropriate and the process plant has been built with operability and maintenance in mind.

Market

The lithium market has experienced significant fluctuations over the last five years. We carefully monitor the impacts associated with a continued downward trend in lithium prices and unfavourable movements in the foreign exchange rate. As a single-asset company entering the lithium market, we are sensitive to these trends and our ability to be flexible and implement innovative solutions to continue to be cost competitive is instrumental to our short and long term success.

In the short term, Liontown is focussing its efforts on operational efficiency measures and business optimisation to mitigate the pricing risk. Liontown has also entered a range of offtake contracts over the short, medium and long term, including pricing mechanisms linked to lithium hydroxide and carbonate, whilst retaining the ability to sell on the spot market when it is commercially appropriate.

Financial

Liontown may be exposed to risks that could impact its profitability and liquidity and some of these risks have been outlined in the 'Market' and 'Operations' sections above. Liontown seeks to proactively address its financial risks through the development of risk management strategies that are periodically reviewed and updated to ensure they remain relevant to the environment in which the Company operates.

Liontown has developed a robust annual budgeting process which will be supported by quarterly reforecasts. We also conduct monthly cost reviews, with both the site and corporate leadership teams, to ensure that costs are continually monitored and managed. In addition, scenario analysis is undertaken to allow us to develop an understanding of the impact of changes to key variables contained within the models.

Environment, Social and Governance

Liontown is committed to be a responsible battery minerals provider and this is reflected within our public statements and reporting. It is an expectation of our stakeholders and regulators that we continue to comply with regulatory requirements which we are subject to and commitments that we have made. As we strive to uphold these commitments, we are aware that failure to meet these obligations and manage stakeholder expectations may result in disruptions to our operations, cause reputational damage and/or impact our cash flows.

Liontown conducts a biennial materiality assessment to assess the most significant sustainability impacts and areas of focus, and works closely with the stakeholders within the region in which we operate. We have executed a Native Title Agreement with Tjiwarl, the Native Title Owners for Kathleen Valley. We engage Traditional Owners through a transparent, inclusive and ongoing consultation process.

To mitigate the potential for breaches of regulations or commitments, we are implementing initiatives to conduct compliance reviews and to identify and address any gaps between commitments and actual results. Additionally, we are implementing systems to enable us to regularly monitor and report progress against ESG commitments.

Climate Related Risk

Liontown recognises the challenge that climate change may present to our business. We endeavour to operate with the lowest possible carbon footprint and are committed to achieving net-zero operational emissions (Scope 1 and 2) by 2034.

Climate change has the potential to disrupt the Group's operations through both physical and transitional risks. Physical risks include the severity and duration of weather events such as flooding, temperature increases and availability of quality water. Transitional risks may bring regulatory and market challenges for our business.

Liontown has conducted a climate scenario analysis to assess the potential impacts of future climate conditions on our Kathleen Valley operations, adhering to IFRS S2 standards. Liontown's mitigation strategies included detailed surface water and flooding studies to safeguard our operations and design drainage accordingly. We also continue to assess our water supply to ensure our long term water needs are met, including demand and infrastructure design, and we consider how temperature increases can impact our workforce and infrastructure. Our mitigating actions for transitional risks include ensuring continuous alignment with the evolving requirements of climate standards, ongoing engagement with policymakers, and integrating carbon pricing into our planning.

Our hybrid power facility includes a 16MW solar farm, an 18MW battery energy storage system, and five 6MW wind turbines, which underscore our commitment to address climate change. We continue to refine our decarbonisation strategy to ensure we meet our net zero target.

Sustained Supply of Quality Water

Liontown operates in a region where water is a scarce resource, and we recognise that water scarcity will continue to increase due to the impacts of climate change. Therefore, it is critical to our operations that we have a sustained and reliable source of quality water and supporting infrastructure to enable us to fulfil our production and environmental commitments. Additionally, we are aware that we have a responsibility to use available water efficiently and limit the impact on the environment, heritage and the community.

In FY24 we acquired access to an existing borefield and constructed infrastructure to deliver the water to Kathleen Valley. Securing an existing bore field ensures we minimise new areas of land disturbance but also gives confidence that we have a sustainable water source to manage responsibly. To mitigate the risk of future disruptions in supply from aquifer depletion, borefield performance or water infrastructure issues, the Company continues to explore options for additional water sources. We closely monitor our current water use during operations and supporting activities and monitor bore performance. Additionally, we have put measures in place to allow for the storage of surplus water in holding ponds to manage water demand during short term supply disruptions.

Cyber Security

Liontown has included critical technology infrastructure and software into its business readiness planning which is now being implemented and commissioned. The key objective for making this important investment is to enhance business performance, limit operational disruptions, drive innovation and maintain a competitive edge. Accordingly, any breach of our information technology platform has the potential to cause operational disruptions as well as potentially damage the Company's reputation.

We have been proactive in mitigating these risks by undertaking regular and on-going threat detection of identified threats or incidents. Regular review of the cyber security strategy to ensure it remains updated to the latest threats and risks combined with strong access control, audits and training provides assurance that we are protected against cybersecurity risks.

Regulatory and Compliance

Liontown operates within a highly regulated industry and the consequences of breaches include significant penalties, reputational impacts and increased scrutiny by regulatory bodies.

The Kathleen Valley Lithium Project has all relevant approvals required for mining and construction, and we will apply for new approvals as they become relevant. If the Company fails to comply with existing conditions there is a risk of monetary fines, forfeiture of tenure and reputation damage. The Company has an approvals schedule and a management team with significant experience in approvals required for mining projects in Western Australia.

We have implemented initiatives to ensure that we satisfy regulatory requirements and can monitor our performance against compliance obligations. We have engaged an independent third party to act as an intermediary for receiving and forwarding whistleblowing communications, enhanced our grievance mechanisms and implemented sanctions scanning for our suppliers and customers.

Significant Changes in the State of Affairs

There were no significant changes to the state of affairs other than those noted elsewhere in this financial report.

Dividends

No dividends were declared or paid during the period and the Directors recommend that no dividend be paid.

Events Subsequent to Reporting Date

Convertible Note with LG Energy Solution, Ltd

On 2 July 2024, the Company announced that it had entered into a subscription agreement with LGES pursuant to which LGES has agreed to subscribe for

US$250,000,000 of unlisted convertible notes, convertible into fully paid ordinary shares in the Company (Convertible Notes).

On 4 July 2024 the Company announced that it had issued the Convertible Notes to LGES having received the full proceeds under the Convertible Note Subscription Agreement.

The Convertible Notes are convertible at the option of LGES into ordinary shares, either in whole or in part, at the conversion price of $1.80 per ordinary share any time after 4 January 2025 up until the date that is five business days prior to the maturity date. For further information, please refer to the Company's announcement on 2 July 2024 titled "Strategic partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley" for a summary of the key terms of the Convertible Notes. An extract of the key features is provided below:

Topic	Summary
Issuer	Liontown Resources Limited
Principal amount and initial face value	The aggregate principal amount of the Convertible Notes is US$250,000,000 divided into 250,000,000 Convertible Notes each with an initial face value of US$1.00
Maturity date	4 July 2029
Interest rate	Secured Overnight Financing Rate
Interest payment dates	Semi-annually up to the Maturity Date (or earlier if redeemed or converted)
Interest payment	Within the first two 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 Company's election.
Tax Gross-up	After the first two years, interest is to be paid in cash to the extent that the Company has Available Cash as calculated in accordance with the terms of the contract. Any balance of interest not paid in cash is to be paid by way of any issuance of shares at the prevailing market price at the time. Payments under the Convertible Notes to be grossed up to account for any tax required to be withheld.

The Convertible Notes include embedded derivatives. The debt host component of the Convertible Notes is initially recognised as a financial liability at fair value (being fair value of the proceeds received less the fair value of the embedded derivatives and transaction fees) and subsequently, the debt is measured at amortised cost. Any movements in the fair value of the embedded derivatives and effective interest associated with the debt host component will be recognised in the Company's consolidated statement of profit or loss.

The fair value of the embedded derivatives at the issue date has been estimated using a combination of a Black Scholes option pricing model and a Monte Carlo option pricing model. The net proceeds received from the issuance of the Convertible Notes have been split between a loan liability and a derivative financial liability component, representing the fair value of the embedded derivative, as follows:

Convertible Notes proceeds	2025 AUD'000
Nominal value of Convertible Notes issued[1]	**372,286**
Transaction fees	(2,458)
Net Convertible Notes proceeds	**369,828**
Accounting treatment at inception	
Interest bearing loans	301,038
Derivative financial liability	68,790
Total current liabilities	**369,828**

[1] Converted using an exchange rate of AUD:USD of 0.6715.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the legislative instrument, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Likely Developments

Other than the development of the Kathleen Valley Lithium Project, there are no likely developments that will impact on the Company other than as disclosed elsewhere in this report.

Insurance of Directors and Officers and Indemnities

During the financial year, the Company paid a premium under a contract insuring all Directors and Officers of the Company against liability incurred in that capacity. Disclosure of the nature of liabilities insured and the premium is subject to a confidentiality clause under the contract of insurance.

The Company has agreed to indemnify its auditors, Deloitte Touche Tohmatsu, to the extent permitted by law, against any claim by a third party arising from Liontown's breach of their agreement. The indemnity stipulates that Liontown will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on Behalf of the Company

On 21 December 2023 the Company announced that it had received notice that the private royalty holder, Drem Pty. Limited (Drem), has filed legal proceedings seeking declarations regarding the interpretation of the relevant documents and the amount of the royalty payable. In summary, the dispute between the parties is whether the amount of the royalty is calculated as 2%, or a lesser percentage, of gross sales of production from the relevant tenements. The Company is defending the proceedings and will respond to the claims in due course, but does not believe that Drem's claim is material to the Company.

Other than as noted above, no person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Environmental Regulations

The Company is subject to material environmental regulation in respect to its exploration, evaluation, project development, mining and processing activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is compliant with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the period under review.

Non-Audit Services

During the year, the Company's auditor, Deloitte Touche Tohmatsu, provided taxation and other corporate services. Refer to note 25 of the Notes to the Consolidated Financial Statements for details on the amounts the Company's auditors received or are due to receive for the provision of non-audit services.

Options, Service and Performance Rights Granted Over Unissued Shares

(a) Options

At the date of this report 500,000 fully paid ordinary shares of the Company are under option on the following terms and conditions:

	Number
Exercisable at $2.45 each on or before 23 November 2024	500,000
Total Options	**500,000**

(b) Performance Rights

At the date of this report 10,066,640 fully paid ordinary shares of the Company are under performance rights on the following terms and conditions:

	Number
Short Term Incentive Performance Rights Expire 30 June 2025 with a nil exercise price	394,187
Long Term Incentive Performance Rights Expire 30 June 2025 with a nil exercise price	2,512,441
Long Term Incentive Performance Rights Expire 31 March 2025 with a nil exercise price	943,717
Long Term Incentive Performance Rights Expire 30 June 2027 with a nil exercise price	3,253,722
Short Term Incentive Performance Rights Expire 30 June 2026 with a nil exercise price	429,337
Long Term Incentive Performance Rights Expire 30 June 2028 with a nil exercise price	2,533,236
Total Performance Rights	**10,066,640**

Jennifer Morris
Chair of the Remuneration Committee

Remuneration Report - Audited

From the Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present the Remuneration Report (the Report) for the financial year to 30 June 2024.

As an ASX-listed company transitioning from explorer to developer and now on the cusp of first production, the FY24 remuneration philosophy and framework reflected our growth, the increased complexity of operations and the objective to attract and retain key talent to deliver on our goals.

Business Performance

It cannot be underestimated how significant FY24 was for Liontown, it was year of change with Liontown transitioning from an explorer to developer on the cusp of production. Major milestones were achieved and performance, overall, exceeded targets. Construction of the Project was 99 percent complete by year's end, and commissioning commenced on schedule.

Above all else, delivering Kathleen Valley safely was a priority. From the start, we established a people-centred approach to health and safety and embedded a culture of learning from our people. In FY24, the safety results achieved were well below the targets we set for both TRIFR and LTI.

Notwithstanding the tremendous amount of effort and work undertaken to complete Kathleen Valley safely and on schedule, establishing an operational business as we prepared for production, FY24 was also a significant year in terms of corporate activity and financing efforts. The team managed a take-over offer and a subsequent withdrawal, completed an equity raise, secured a debt facility in a volatile lithium market and substantially progressed the work that led to a significant investment and a 10-year extension of off-take from one of our foundation partners, LG Energy Solution.

To ensure continued growth for our Company, significant progress was also made during the year to advance our downstream strategy resulting in two partnerships to explore development of a lithium supply chain between Australia and Japan and investigate establishing a US IRA compliant lithium refinery.

The collective strength of our performance across the year has been recognised in our Business Scorecard, achieving an overall outcome above target. The Board determined that management responded well to external conditions and delivered significant value in FY24 (refer to pages 56 to 61 for additional performance outcomes detail).

Remuneration Outcomes

During the past financial year, our remuneration outcomes were structured to reflect our commitment to pay for performance, including aligning executive performance with Liontown's strategic objectives including shareholder interests, as well as recognising the significant effort undertaken by the executive in overcoming external challenges that surfaced during the year.

Fixed Remuneration

At the beginning of FY24, fixed remuneration for executive Key Management Personnel (KMP) was adjusted to ensure competitiveness against similar-sized peers in a tight labour market, recognising the critical roles and core responsibilities of our executives in achieving the strategic goals of Liontown and this received strong shareholder support at the 2023 Annual General Meeting.

Short-term Incentive Outcomes

During the year, management responded well to external conditions, demonstrated strong leadership to deliver the Kathleen Valley Lithium Project safely and to schedule as well as preparing the business for operations. Our short-term incentives (STI) performance scorecard comprises an 80 percent weighting to business performance and a 20 percent weighting to individual performance. On assessment, the Board determined that management delivered significant value in FY24. The scorecard outcome of 90 percent for business performance, which is above the target of 80 percent, is a fair reflection of overall performance in FY24. In evaluating the CEO and KMP performance, the Board determined an outcome of 110 percent of target, which equates to 73 percent of the maximum.

Undoubtedly, maintaining the schedule for our Kathleen Valley Lithium Project was an extraordinary accomplishment given the external challenges we encountered when also coupled with a significant amount of unexpected corporate activity. This challenging work was performed amidst a volatile lithium pricing market, adding further complexities to the process of securing funding. In recognition of the extraordinary effort demonstrated throughout the year, the Board awarded a one-off discretionary cash payment. This payment underscores the exceptional dedication and commitment of the team and acknowledges the significant additional workload undertaken beyond the typical expectations associated with constructing a major project safely and on schedule.

Long-term Incentive Outcomes

The long-term incentive (LTI) is the component of executive remuneration most closely linked to the shareholder experience as it rewards executives for the delivery of returns that exceed peer benchmarks across a three-year period. The Board assessed the performance against the criteria and determined that stretch performance conditions had been achieved for all measures, including the delivery of a total shareholder return (TSR) of 136 per cent over the three-year performance period of the FY21 LTI.

Looking ahead

Our FY24 approach to remuneration has proven successful, not only in a very tight labour market environment but also one facing supply chain issues and a volatile lithium market. As we look forward to FY25 and commence production and ramp up, our remuneration framework will continue to be guided by the same principles that have driven our success during the project development phase.

The Board remains cognisant of the importance of ensuring market competitive remuneration for executive KMP and, in recognising the shift to operations, a comprehensive review of our remuneration framework is underway to ensure we have in place the most appropriate structure for the business in FY25. The review will consider independent advice and best market practice including external benchmarking. We remain focused on ensuring that executive remuneration supports our future strategy, and the framework will emphasize performance metrics and incentive plans to reflect overall business performance to deliver value to all our stakeholders as we embark on the next phase of Liontown's growth.

As I reflect on FY24, it has been a year marked by significant progress and accomplishment for Liontown. In the face of numerous challenges, we have upheld our commitments, fortified our foundations, and positioned ourselves for sustained success in the years ahead. Whilst we can rightly be proud of what Liontown has delivered this financial year, we are very focused on the year ahead as we ramp up to steady state production, solidify our position as a world-class lithium producer and deliver returns to shareholders.

On behalf of the Directors, I thank you, our shareholders, for your ongoing support. As always, we welcome your feedback and comments on any aspect of this Report.

Regards,

Jennifer Morris

Business Performance Highlights

Equity raised:
$378m
net of equity raising cost

FY24 net asset growth:
71%

FY24 employee growth:
139%

TSR:
136%
3-year performance April 2021-30 June 2024

	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Share price ($)	0.105	0.850	1.055	2.83	0.905
Market Capitalisation ($'000)	179,685	1,546,243	2,312,798	6,232,383	2,194,629

Key Performance Indicator Outcomes

Safety

0.33 LTI
against target of 2

5.99 TRIFR
against a target of 8

Cost

Project cost has been subject to cost increases, as seen across the economy

Corporate costs delivered lower than budget

Production

Processing plant commissioned on schedule

ESG

100%
Renewable power available

>$5M
project work awarded to Tjiwarl business and contractors

People

87%
employee engagement survey participation

89%
engagement score

100%
resourcing to workforce plan to meet first production

Growth

Downstream strategy completed

Agreement with Sumitomo Corporation signed

Introduction and FY24 Key Management Personnel

This report outlines the remuneration for the KMP of Liontown for the financial year. KMP are defined as "those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity". Within this Report references to executives includes executive directors and other KMP.

The information provided in this Report has been prepared based on the Group's remuneration framework and policies, which are designed to attract, retain, and motivate talented people who are essential to the Group's success. This Report forms part of the Directors' Report and has been prepared and audited in accordance with section 300A and 308(3C) of the Corporations Act 2001.

The KMP for Liontown during FY24 were:

Non-Executive Directors

KMP	Position
Timothy Goyder	Chair
Ian Wells	Lead Independent Non-Executive Director (appointed 1 January 2024, Lead Independent Director from 26 September 2024)
Jennifer Morris	Non-Executive Director
Shane McLeay	Non-Executive Director
Adrienne Parker	Non-Executive Director
Anthony Cipriano	Lead Independent Non-Executive Director (resigned 31 December 2023)
Craig Williams	Non-Executive Director (resigned 31 March 2024)

Executives

KMP	Position
Antonino Ottaviano	Managing Director / Chief Executive Officer
Adam Smits	Chief Operating Officer
Jon Latto	Chief Financial Officer

Having reflected on executive roles against the definition of a KMP, it has been concluded that Grant Donald as the Chief Commercial Officer did not meet the definition of a KMP, and is not included in the Remuneration Report.

Remuneration Governance

The Group's remuneration governance framework is designed to ensure that executive and non-executive remuneration practices align with the Group's performance and shareholder interests. This framework delineates clear accountabilities across various groups within the organisation, as outlined in the table below.

Group	Accountabilities
Board	Amongst its accountabilities, the Board oversees the overall remuneration framework, ensuring alignment with Company performance and shareholder interests. Responsibilities include approving remuneration policies, reviewing senior executive remuneration, and monitoring incentive plans.
Remuneration Committee	Established by the Board and operating under its own Charter, with its role defined by the Terms of Reference, the Remuneration Committee ensures no inappropriate bias in remuneration and makes recommendations on: • Remuneration policy • Senior executive remuneration • Incentive plans • Superannuation arrangements
Management	Management identifies and recommends remuneration adjustments, performance metrics, and incentive plan designs to the Remuneration Committee.
External Advisors	Provide independent information, advice and recommendations on remuneration matters. Their recommendations are reviewed by the Remuneration Committee for alignment to the business and ensure compliance with legal and regulatory requirements. Any advice provided by external advisors is used to assist the Board. It is not a substitute for the Board and Remuneration Committee procedures. During the year, a consultant was used to provide comparative ASX market remuneration data to assess pay levels and remuneration design for the KMP. The fees paid for the services was $18,000. The Remuneration Committee did not receive any remuneration recommendations from the external consultant in relation to KMP in FY24.

Remuneration Framework

Overview of Remuneration Framework

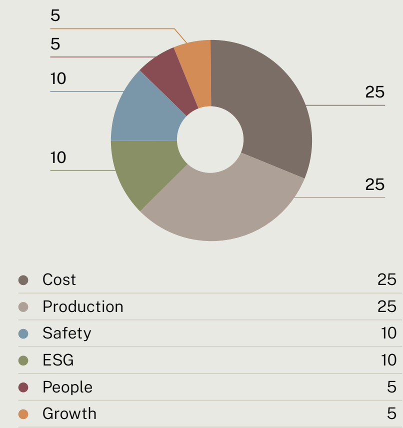
As an ASX-listed company transitioning from explorer to developer on the cusp of production, the FY24 remuneration philosophy and framework reflected our growth, the increased complexity of operations and the need to attract and retain key talent. Our values drive our reward strategy which seeks to achieve:

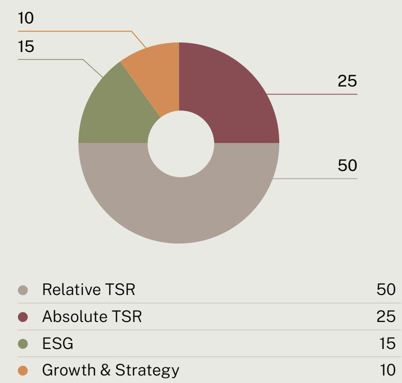
Alignment with shareholder returns:	Attract and retain talent:	Performance-based rewards:	Fairness and transparency:	Compliance and governance:
Ensure that the remuneration structure aligns with the interests of shareholders by linking portions of compensation to Company performance and share price;	Offer market competitive remuneration packages to attract and retain key management personnel and executives with the necessary skills and experience to drive the Company's growth and manage the complexities of moving into production;	Emphasize performance-based rewards that incentivise achievement of strategic milestones and operational goals;	Maintain fairness and transparency in remuneration practices to uphold Liontown's reputation and ensure stakeholder trust; and	Ensure that the remuneration framework complies with all relevant legal and regulatory requirements and follows best practices in corporate governance.

In accordance with best practice corporate governance, the structure of non-executive and executive remuneration is separate and distinct.

Remuneration Components

Remuneration consists of elements of fixed annual remuneration (FAR) and variable 'at risk' remuneration, comprising STI and LTI.

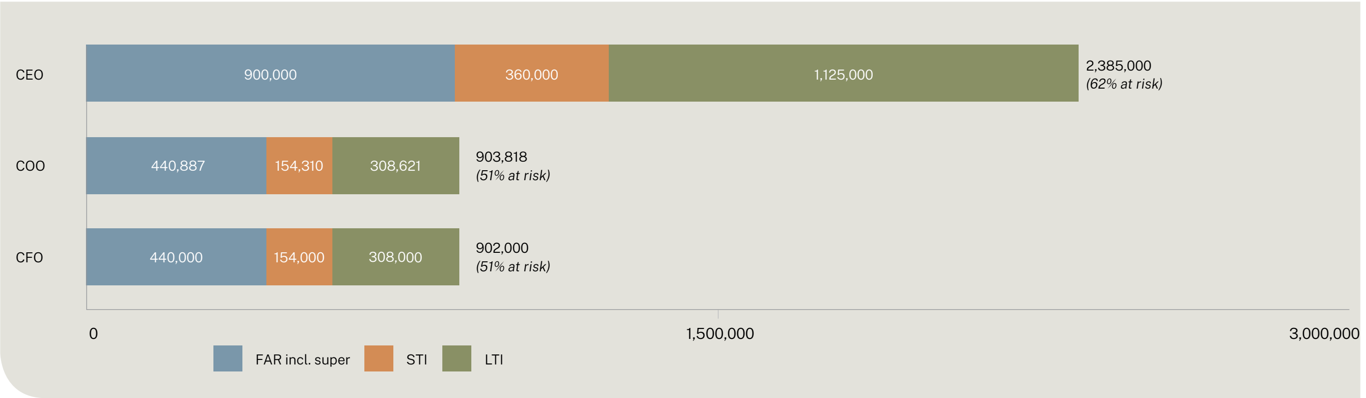
<table>
<tr><th></th><th>Fixed Component</th><th colspan="2">Variable / At Risk</th></tr>
<tr><th></th><th>Fixed Annual Remuneration</th><th>Short-Term Incentive</th><th>Long-Term Incentive</th></tr>
<tr><td>Purpose</td><td>Provide fair, market-related fixed pay for the skills and experience an executive brings to a role. Attract and retain experienced leaders.</td><td>Drive and reward achievement of annual performance targets that are aligned to Liontown's key business priorities.</td><td>Drive ownership behaviours and ensure focus on the creation of long-term value. Align to shareholder interests.</td></tr>
<tr><td>Description</td><td>Salary and other benefits (including statutory superannuation).</td><td>Annual incentive opportunity delivered through performance rights.</td><td>Three-year incentive opportunity delivered through performance rights.</td></tr>
<tr><td>Link to Strategy/ Performance</td><td>Rewards sustained performance in role.</td><td>Performance-based outcomes linked to business strategy.</td><td>Reward for sustainable multi-year performance aligned with Company goals.</td></tr>
<tr><td>Market Positioning</td><td>Set at or slightly above the median of peer group.</td><td>Target and maximum quantum set below median of peer group.</td><td>Quantum set below median of peer group to offset increased likelihood of vesting.</td></tr>
<tr><td>FY24 approach</td><td>We benchmarked our remuneration relative to a peer group of similar-sized resources companies and companies between ASX100 and ASX200, aiming to strike a balance between competitiveness and responsible remuneration practices.</td><td>Quantum (% of Fixed Remuneration)
<table>
<tr><th></th><th>Target</th><th>Stretch</th></tr>
<tr><td>MD/CEO</td><td>40%</td><td>60%</td></tr>
<tr><td>Other Executive KMP</td><td>35%</td><td>53%</td></tr>
</table>
Business Scorecard (80%):
A balance of financial and non-financial measures that are a priority for us for the financial year.
These include:


Individual Scorecard (20%):
The individual component includes KPIs relevant to the role.
In recognition of the extraordinary effort demonstrated throughout the year, a one-off discretionary cash payment has also been awarded in FY24.</td><td>Quantum (% of Fixed Remuneration)
<table>
<tr><th></th><th>Target</th><th>Stretch</th></tr>
<tr><td>MD/CEO</td><td>125%</td><td>188%</td></tr>
<tr><td>Other Executive KMP</td><td>70%</td><td>105%</td></tr>
</table>
The FY24 LTI Rights are subject to the following performance metrics over the three years to June 2026:


To provide certainty to employees and ensure continued focus on the development of the Project during the takeover activity by Albemarle Corporation, critical roles and people were identified and offered an 18 month retention incentive, subject to continued employment by Liontown on 31 December 2024.</td></tr>
</table>

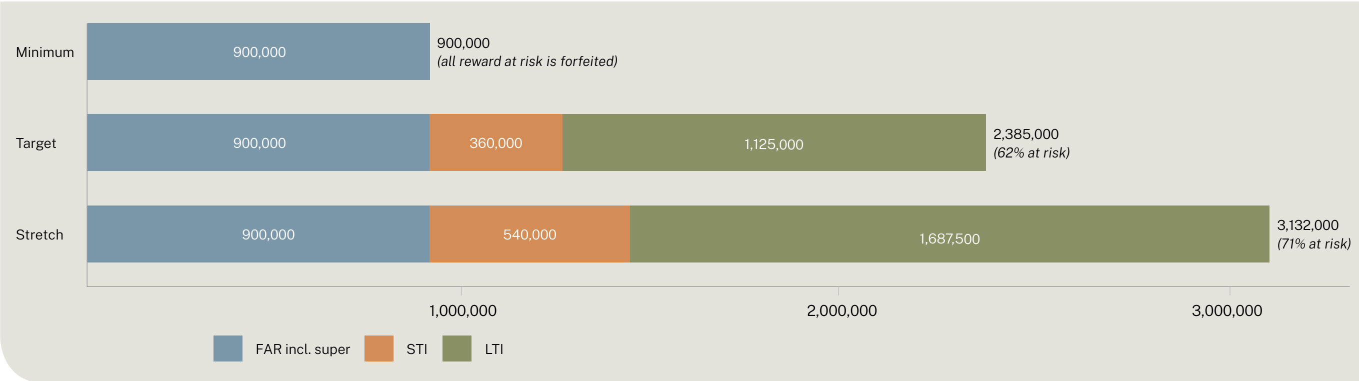
Target Remuneration

The target maximum remuneration for executives is determined each year by the Remuneration Committee in response to market conditions and strategic business objectives. The actual STI and LTI awarded are subject to performance against pre-determined targets. The target quantum for each of the Executive KMP roles, as well as the remuneration mix, is illustrated below.



Range of FY24 Remuneration Outcomes

Rewards are based on actual business and individual achievements during the performance period, therefore, the total remuneration received by the Executive KMP will vary each year. The diagram below demonstrates the potential range of remuneration outcomes for the MD&CEO, considering three different performance scenarios.



FY24 Remuneration Outcomes

During the past financial year, the Company's remuneration outcomes were structured to reflect our commitment to aligning executive performance with Liontown's strategic objectives and shareholder interests.

Performance outcomes awarded consist of three components, fixed remuneration, short-term performance outcomes and long-term performance outcomes.

FY24 Fixed Remuneration

The FY24 fixed remuneration for Executive KMP was reviewed to ensure competitiveness against similar-sized peers in a tight labour market, recognising the critical roles and core responsibilities of our executives in achieving the strategic goals of Liontown. The Board approved the adjustments illustrated in the table below, which were based on performance, market positioning, and role criticality. Where increases were awarded, they were effective from 1 July 2023.

Executive KMP	FY23 ($)	FY24 FAR ($)	% increase
Antonino Ottaviano (CEO)	825,000	900,000	9%
Adam Smits (COO)	420,000	440,887	5%
Jon Latto (CFO)[1]	435,000	440,000	1%

[1] Jon Latto assumed the position of CFO on 23 December 2022.

Short-Term Incentive

The FY24 STI was delivered in the form of rights, awarded at the beginning of the performance year. The number of STI Rights was determined with reference to the 15-day VWAP as at 30 June 2023 and was subject to metrics that are aligned to our strategy and reflect the key priorities of Liontown for the financial year.

The portion of STI Rights to vest was determined once the Board had assessed performance against these performance metrics, that includes both Business and Individual measures.

FY24 Business Scorecard Outcomes

Category	Performance Pillar	Performance Metric	Target Percentage Upon Vesting	Awarded Percentage	Vesting Outcome
Company metrics (80%)	Safety	TRIFR	5.0%	7.5%	Total Recordable Injury Frequency Rate (TRIFR) as of June 2024 was 5.99 vs an end of year target of 8 and stretch target of 6.
		LTIFR	5.0%	7.5%	Lost Time Injury Frequency Rate (LTIFR) as of June 2024 is 0.33 with significant focus on minimising loss time injuries.
	Production	Processing plant commissioned as per schedule	25.0%	18.6%	Dry plant commissioning commenced during March 2024 and was operational at nameplate rates by June 2024. Wet plant commissioning commenced and progressed materially in June 2024 with first concentrate occurring in July and in line with the mid-year external market commitment.
	Cost	Kathleen Valley Lithium Project development costs within approved Forecast at Completion	12.5%	9.3%	The Project has been subject to cost increases, as seen across the economy. The awarded percentage is reflective of the resulting cost overruns relative to the $895m capital budget.
		Corporate costs within approved corporate budget	12.5%	18.6%	Due to targeted cost reduction efforts through 2024, including recruitment freezes in certain areas and a reduction in other corporate spend, corporate costs were delivered substantially lower than budget.
	ESG	Engagement with communities	5.0%	7.5%	$5M awarded to Tjiwarl businesses and contractors during FY24.
		Installed and deployed renewable power sources	5.0%	7.5%	As at end of June 2024 100% of renewable power sources are installed, fully commissioned and able to be deployed.
	People	Workforce culture and diversity	2.5%	3.5%	Liontown's first engagement survey was completed in June 2024 with an overall participation rate of 87% and an engagement score outcome of 89%.
		Resourcing as per Workforce Plan to meet 1st production	2.5%	2.5%	The recruitment and on-boarding of required workforce is progressing within target.
	Growth	Downstream processing	5.0%	7.5%	The Downstream Strategy was completed and presented and endorsed by Board during FY24. In addition to Sumitomo being selected as partner during FY24, LGES was confirmed as another downstream processing partner.
TOTAL Company (80%)			**80.0%**	**90.0%**	**112.5% of Target**
Individual (20%)		Alignment to one or more of the metric categories	20.0%	20.0%	100.0% of Target
TOTAL FY24 STI Outcome			**100.0%**	**110.0%**	**110.0% of Target**

Overall FY24 STI Outcomes

During the year, management responded well to external conditions and demonstrated strong leadership to deliver the Project safely and to schedule and prepare the business for operations. On assessment, the Board is satisfied that management has delivered significant value in FY24 and that the business scorecard outcome of 90 percent (i.e. above Target) is a fair reflection of business performance. In addition, the Board recognised the commitment and effort deployed to support the additional corporate activity and funding workstreams and an overall FY24 STI Outcome of 110 percent (90 percent for Company metrics and 20 percent for individual outcomes) is a fair reflection in what has been a very successful FY24.

In addition to the Company performance metrics, the individual performances of the CEO and KMP were exemplary during FY24, leading the Board to determine that awarding the Target STI to the CEO and KMP was both fair and appropriate. Individual KPI were assessed based on having delivering the following outcomes:

CEO:

- The CEO assisted the Board with implementing key systems and processes to govern the Company as it transitioned from developer to operator.
- The CEO successfully advanced gender diversity and leadership development within the Executive Leadership Team. Key achievements include the appointment of Emma Coulthard as Executive General Manager of Human Resources in June 2024 and the establishment of a high-potential senior leadership pool through comprehensive career review sessions with all female leaders.
- A high level of employee engagement was established for the Company overall with the first Employee Engagement Survey achieving an 87% participation rate and a 89% engagement rating.
- Additionally, the CEO ensured stable leadership by appointing Jon Latto as the permanent CFO in October 2023.

COO:

- Gender diversity in leadership was strengthened with the appointment of Holly Keenan as Underground Mining Manager in December 2023.
- The COO also ensured operational readiness by aligning recruitment with workforce plans, successfully onboarding 100% of the required workforce for the planned production start. Additionally, the Kathleen Valley Management Team was fully appointed, including the key positions of General Manager Aaron Nankivell, Dean Lilly as Maintenance Manager, and Rowan Kerr as Processing Manager.
- The COO effectively established high levels of employee engagement within the Operations Business Unit, achieving an 87% participation rate and an 88% engagement rating.

CFO:

- The CFO ensured the financial stability of the Company by managing multiple financing streams, including traditional bank funding, equity, and other funding options.
- The CFO introduced a range of financial models and associated policies and procedures to support the Company as it prepares for the transition to operations.
- The CFO successfully recruited and onboarded 100% of the required finance workforce, aligning with workforce plans to support the commencement of production.

The overall STI outcomes for FY24 are outlined below.

FY24 One-Off Discretionary Payment

In recognition of the extraordinary effort demonstrated throughout the year, a one-off discretionary cash payment has been awarded. This payment acknowledges the significant additional workload undertaken beyond the typical responsibilities associated with constructing a major project safely and on schedule.

Key activities that contributed to the awarding of the discretionary payment included managing a takeover offer and a subsequent withdrawal from Albemarle Corporation, completion of an equity raise through institutional placement, establishing credit approval of a debt facility, establishing credit approval of a short-term debt facility and undertaking the work that led to securing the LG Energy Solution convertible notes and off-take agreement extension, providing the required funding to support Liontown through to positive cash flow under a three million tonne per annum operation, as announced on 2 July 2024.

This challenging work was performed amidst a volatile lithium pricing market, adding further complexities to the process of securing funding. This extraordinary effort was crucial to support the business during the final year of development for the Project and its transition to producer and mine operator. The FY24 discretionary payment underscores the exceptional dedication and commitment of the team, for going above and beyond to ensure the completion of the critical path items required for the Project to complete commissioning and commence spodumene production on schedule in mid-2024 and establishing the necessary systems, processes and resources for it to be ready to operate.

The table below provides a summary of the FY24 STI outcomes, including the discretionary payment.

	FY24 Short-Term Incentive							Discretionary Payment		
Executive KMP	STI Target ($)	Company Scorecard Outcome (%)	Individual Scorecard Outcome (%)	Total STI Outcome (%)	% of Maximum Awarded	% of Maximum Forfeited	Value of Equity Vested ($) [1]	% of FAR	Value of Cash Awarded ($)	Total Realised as % of FAR
Antonino Ottaviano (CEO)	360,000	90%	20%	**110%**	73%	27%	122,249	14%	**261,000**	43%
Adam Smits (COO)	154,310	90%	20%	**110%**	73%	27%	52,401	12%	**112,000**	37%
Jon Latto (CFO)	154,000	90%	20%	**110%**	73%	27%	52,295	12%	**112,000**	37%

[1] Based on the quantum of shares to vest, multiplied by the share price on 28 June 2024, of $0.905

Long-Term Incentive

LTI Vesting in FY24

FY21 Performance Rights

LTI performance outcomes were driven by our strategic focus on sustainable growth and value creation, with equity-based incentives reflecting our success in meeting long-term goals. The FY21 LTI performance rights, that were issued to the Executive KMP in May 2021 had a performance period from 1 May 2021 to 30 June 2024. The start date was aligned to the day that the newly appointed CEO, Tony Ottaviano, joined the Company.

In July 2024, the Board assessed the performance against the criteria, as outlined in the table below, and determined that the stretch performance conditions had been achieved for all measures. As a result, 100% of all performance rights vested.

Performance Conditions Category	Performance Conditions Will Be Assessed Against Board Criteria Relating To:	Target % Upon Vesting	Awarded %	Vesting Outcome
Shareholder Return Milestones	TSR will be assessed on both an Absolute and Relative basis. Absolute TSR – 25% Allocation - 0%, if Absolute TSR <50% - Pro-rata, if Absolute TSR between 50% - 100% - 100% allocation, if Absolute TSR >100% Relative* TSR – 25% Allocation - Below 50th percentile, 0% allocation - Between 50th and 75th percentile, pro-rata, allocation - At or above 75th percentile, 100% of allocation TSR measurement period is between 1 May 2021 and 30 June 2024 using 20 day-VWAP.	50%	50%	The Board assessed the Shareholder return outcomes and determined: (1) Liontown achieved an absolute TSR of 135.85% from 1 May 2021 to 30 June 2024. This is above the stretch target to exceed 100%. (2) Liontown was at the 85th percentile for TSR relative to the selected peer group as at end of June 2024, which exceeded the stretch target
Strategic and Commercial Achievements	(i) Offtake arrangements; (ii) Downstream opportunities; (iii) Project funding; and (iv) Final Investment Decision (FID) Board approval. Board discretion to be applied in allocating this incentive.	35%	35%	The Board assessed the strategic commercial achievements outcomes and determined: (1) Over the FY22 to FY24 period multiple off-take agreements were executed with a number of Tier 1 partners. (2) Through equity raises, debt funding with Ford, and strategic partnerships with LGES, the KV project development has been fully funded. (3) FID for the development of Kathleen Valley was provided by the Board in June 2022.
ESG and Health and Safety Milestones	(i) Permits and licences for commencement of Kathleen Valley operation; (ii) Lost time injury frequency rates; and (iii) ESG objectives. In the event there is one or more breaches of the stated objectives, the Board will exercise its discretion to reduce the allocation of any incentive commensurate with the nature and severity of any breach.	15%	15%	The Board assessed the ESG and health and safety outcomes and determined: (1) All required permits, licences and approvals have been received to commence mining operations at Kathleen Valley operation. (2) As at the end of June 2024 the cumulative LTIFR was 1 with only 1 Lost Time Injury recorded on the project since its commencement. (3) Liontown has established its ESG credentials over the FY22-FY24 period.
TOTAL		**100%**	**100%**	

* Relative to a comparable group of companies.

FY21 Sign-on Rights

Tony Ottaviano was granted sign-on awards that were issued on his commencement as CEO in May 2021, in lieu of benefits forfeited from his previous employer. The last of these awards vested on 1 July 2023.

The table below summarises all LTI awards that vested to Executive KMP in FY24.

Executive KMP	Award	Number of Rights Granted	Number of Rights Vested	Number of Rights Forfeited	Value at Grant ($)	Value at Vesting ($)
Antonino Ottaviano (CEO)	FY21 LTI	1,181,600	1,181,600	0	414,742	1,069,348
	Sign-On Rights	1,250,000	1,250,000	0	500,000	1,437,500
Adam Smits (COO)	FY21 LTI	534,289	534,289	0	187,535	483,532

LTI Granted in FY24

FY24 LTI Performance Rights

The FY24 LTI Performance Rights were issued to Executive KMP with a measurement date of 30 June 2026 and based on the following performance conditions.

Performance Conditions Category	Performance Conditions Will Be Assessed Against Board Criteria Relating To:	Max % Upon Vesting
ESG	FY26 percentage of renewable power and FY26 carbon emissions (aggregate emissions per tonne of concentrate).	15%
Strategic and Commercial Achievements	Downstream opportunities. Pursue value accretive opportunities in battery materials to deliver sustainable value over the long term with a view to extending resource/reserve life.	10%
Shareholder Return Milestones	TSR will be assessed on both an Absolute and Relative basis. Absolute TSR – 25% Allocation • 0%, if Absolute TSR <15% • Pro-rata, if Absolute TSR between 15% - 25% • 100% allocation, if Absolute TSR >35% Relative* TSR – 25% Allocation • Below 50th percentile, 0% allocation • Between 50th and 75th percentile, pro-rata, allocation • At or above 75th percentile, 100% of allocation Relative** TSR – 25% Allocation • Below 60th percentile, 0% allocation • Between 60th and 80th percentile, pro-rata, allocation • At or above 80th percentile, 100% of allocation *measured against the S&P/ASX 200 Resources (XJR) **measured against the Board agreed Liontown Resources peer group	75%

The table below summarises all LTI awards granted to Executive KMP in FY24.

Executive KMP	Award	Face Value as % of FAR	Face Value ($)	Target Value as % of FAR	Target Value ($)	Number of Rights Granted
Antonino Ottaviano (CEO)	FY24 LTI Performance Rights	187.5%	1,687,500	125%	1,125,000	**930,039**
Adam Smits (COO)	FY24 LTI Performance Rights	105%	462,931	70%	308,621	**255,137**
Jon Latto (CFO)	FY24 LTI Performance Rights	105%	462,000	70%	308,000	**254,624**
	FY23 Retention[1]	100%	440,000	100%	440,000	-

[1] Jon Latto participated in the retention incentive offered to certain employees during the Albemarle takeover activity.

Terms and Conditions of rights awarded under STI and LTI plans

Type of equity	We deliver deferred STI and LTI awards in the form of performance rights. These are rights to receive fully paid ordinary shares in Liontown Resources subject to meeting specific performance and vesting conditions (Rights). As the Rights are an element of remuneration, no amount is payable by employees to be allocated the Rights. If the Rights vest, no consideration or exercise price is payable for the allocation of shares. Rights that have vested in accordance with vesting conditions but have not been exercised in accordance with specified dates will expire and automatically lapse and become incapable of converting into shares. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of Shares.
Dividend and voting rights	Rights carry no entitlement to voting, dividends or dividend equivalent payments.
Cessation of employment	If the person holding the performance rights is no longer working for the Company or their contract ends for any reason, any unvested performance rights they have will automatically lapse and be forfeited, unless the Board otherwise determines in its discretion, and any vested performance rights will automatically be exercised.
Change of control	If there is a change of control, or if the Board determines that there is likely to be a change of control, the Board may in its discretion determine the manner in which unvested performance rights will be dealt, including the vesting and conversion of performance rights.
Rights to participate in new issues	A participant can't take part in new issues of securities in relation to their performance rights.

Employment Contracts

Employment contracts	Contracts are entered into by Executive KMP in their personal capacity.
	The key terms for the MD/CEO include:
	• No fixed term
	• Six months' notice by either party
	• Termination provision:
	  • Six months' notice in the event of a material change
	  • Twelve months' notice in the event of a change of control
	The key terms are consistent for all Executive KMP, and include:
	• No fixed term
	• Three months' notice by either party
	• Termination provision:
	  • Six months' notice in the event of a material change
	  • Six months' notice in the event of a change of control

Non-Executive Director Remuneration

Guiding Principles for Non-Executive Director Remuneration

Our remuneration philosophy for Non-Executive Directors (NEDs) is designed to align their interests with the interests of our shareholders while maintaining objectivity and independence in their decision-making by adhering to the following guiding principles:

- Fees within shareholder-approved aggregate, ensuring transparency and accountability;
- Remunerated by fees (cash and superannuation) and may include equity components to further align NEDs' interests with the long-term performance of Liontown;
- No performance-based remuneration to maintain objectivity and preserve impartiality; and
- No retirement benefits provided beyond statutory superannuation, reinforcing our commitment to a straightforward and equitable remuneration structure.

NED Policy

- NEDs receive a fixed fee for their services, which includes participation in Board committees; and
- NEDs do not participate in performance-based incentive schemes.

Our NED remuneration policy is reviewed annually to ensure it remains competitive and aligned with market practices.

Fee Pool:

The total fee pool for NEDs is determined by shareholder approval and was set at $1,000,000 for FY24.

FY24 Base Fees and Committee Fees (excl. superannuation)

Annual Board Fees ($)	
Chair	150,000
Lead Non-Executive Director	100,000
Non-Executive Director	70,000
Audit, Remuneration and Sustainability Committee Fees ($)	
Chair	15,000
Member	7,500

Looking Forward to FY25

The Board remains cognisant of the importance of ensuring market competitive remuneration for Executive KMP and, in recognising the shift in our operational focus, in FY25, we are reviewing our remuneration structure to align with our new goals and objectives. The refined framework will emphasize performance metrics and incentive plans tailored to support our production targets, operational efficiency and long-term value creation as we embark on this next phase of Liontown's growth.

The proposed key adjustments to our FY25 executive remuneration structure are outlined in the table below.

Executive KMP

Remuneration Component	Adjustment
Executive Remuneration Framework Review	A comprehensive review of our remuneration framework is underway. This will include a review of the variable components, including both STI and LTI, to ensure that they align with our operational and strategic milestones.
Fixed Remuneration	Fixed remuneration will continue to be aligned with market benchmarks to attract and retain top talent.
STI	A review of performance metrics suitable as the business transitions into production. Realignment of STI and LTI quantum and the introduction of a deferral for a portion of the STI outcome.
LTI	A review of performance metrics and a realignment of STI and LTI quantum.
Minimum Shareholding Requirement	Introduction of a Minimum Shareholding Requirement equal to two times fixed remuneration (200%) for the MD/CEO and one times fixed remuneration (100%) for the other Executive KMP.

Non-Executive Directors

Remuneration Component	Adjustment
NED Fee Changes	NED fee pool will be increased to accommodate the recruitment of additional directors and remain competitive in attracting high-calibre people to our Board. The proposed increase in NED fee pool will be presented to shareholders for approval in the 2024 Annual General Meeting.
Minimum Shareholding Requirements	Introduction of a Minimum Shareholding Requirement for our NEDs equal to one times annual base fees (100%).

We are committed to transparent communication with our stakeholders and will engage directly with shareholders to provide further details and seek their support at the upcoming Annual General Meeting in November 2024.

Statutory Disclosures

Statutory remuneration disclosures are prepared in accordance with Australian Accounting Standards and include share-based payments expensed during the financial year.

Executive KMP Remuneration

Statutory remuneration differs from actual remuneration paid to executives due to the accounting treatment of share-based payments.

The tables below include the statutory remuneration disclosures for FY24 and FY23. This includes fixed remuneration, STI, LTI, and other benefits.

Executive KMP		Short-Term Benefits				Post-Employment Benefits	Long-Term Incentives			Total Remuneration	Proportion of Remuneration Performance Based
		Salary and Fees	Discretionary Payment[1]	Other Amounts [2]	Performance Rights [3]	Superannuation	Retention Incentive[4]	Options [5]	Performance Rights [3]		
		$	$	$	$	$	$	$	$	$	%
A. Ottaviano	**FY24**	810,811	261,000	29,273	185,738	89,189	-	-	1,353,927	2,729,938	56
	FY23	746,606	-	61,457	518,085	78,394	-	205,654	1,138,436	2,748,632	68
A. Smits	**FY24**	411,754	112,000	31,137	170,810	28,814	-	-	527,690	1,282,205	54
	FY23	380,091	-	41,756	229,674	39,909	-	-	234,345	925,775	50
J. Latto	**FY24**	425,101	285,216	(3,296)	170,466	44,665	293,600	-	204,725	1,420,477	26
	FY23	230,531	-	23,192	-	24,206	-	-	-	277,929	-
C. Hasson[6]	**FY24**	-	-	-	-	-	-	-	-	-	-
	FY23	146,677	-	14,533	92,603	14,476	-	-	92,917	361,206	51
TOTAL	**FY24**	**1,647,666**	**658,216**	**57,114**	**527,014**	**162,668**	**293,600**	**-**	**2,086,342**	**5,432,620**	
	FY23	1,503,905	-	140,938	840,362	156,985	-	205,654	1,465,698	4,313,542	

1 Discretionary payment was awarded to KMP, executives and senior management to recognise their efforts to go above and beyond to meet key achievements in FY24. For J Latto, this also included an amount of $173,216 that was awarded in FY24 for an STI relating to FY23.

(2) Other amounts, where applicable, includes the cost to the Company of providing time off in lieu, annual leave, long service leave, fringe benefits and the attributable non-cash benefit applied by virtue of the Company's Directors and Officers Liability policy.

(3) The fair value of performance rights was calculated by an independent expert and allocated to each reporting period starting from the grant date to vesting date.

(4) In FY23, certain roles were identified and offered an 18 month retention incentive. This amount is the pro-rata amount accrued and will only be payable if the employee is still employed by Liontown on 31 December 2024.

(5) The fair value of the options is calculated using a Black-Scholes valuation model and allocated to each reporting period starting from grant date to vesting date.

(6) Mr Hasson resigned 23 December 2022.

Non-Executive Director Remuneration:

Non-Executive Directors		Short-Term Benefits				Post-Employment Benefits	Long-Term Incentives			Total Remuneration	Proportion of Remuneration Performance Based
		Salary and Fees	Discretionary Payment	Other Amounts[1]	Performance Rights	Superannuation	Retention Incentive	Options	Performance Rights		
		$	$	$	$	$	$	$	$	$	%
T. Goyder	**FY24**	157,500	-	-	-	17,325	-	-	-	174,825	n/a
	FY23	157,500	-	11,505	-	16,538	-	-	-	185,543	n/a
I. Wells[2]	**FY24**	46,250	-	-	-	5,088	-	-	-	51,338	n/a
	FY23	-	-	-	-	-	-	-	-	-	n/a
J. Morris	**FY24**	92,500	-	-	-	10,175	-	-	-	102,675	n/a
	FY23	92,500	-	-	-	9,712	-	-	-	102,212	n/a
S. McLeay	**FY24**	100,000	-	-	-	11,000	-	-	-	111,000	n/a
	FY23	98,125	-	-	-	10,303	-	-	-	108,428	n/a
A. Parker	**FY24**	92,500	-	-	-	10,175	-	-	-	102,675	n/a
	FY23	69,375	-	-	-	7,284	-	-	-	76,659	n/a
A. Cipriano[3]	**FY24**	61,250	-	-	-	6,738	-	-	-	67,988	n/a
	FY23	122,500	-	-	-	12,862	-	-	-	135,362	n/a
C. Williams[4]	**FY24**	52,500	-	-	-	5,775	-	-	-	58,275	n/a
	FY23	70,000	-	-	-	7,350	-	-	-	77,350	n/a
TOTAL	**FY24**	**602,500**	**-**	**-**	**-**	**66,276**	-	-	-	**668,776**	
	FY23	610,000	-	11,505	-	64,049	-	-	-	685,554	

(1) Other amounts, where applicable, includes the cost to the Company of providing fringe benefits.

(2) Mr Wells was appointed on 1 January 2024.

(3) Mr Cipriano resigned 31 December 2023.

(4) Mr Williams resigned 31 March 2024.

KMP Rights and Shareholdings

KMP Shareholdings

The relevant interest of each KMP in the share capital of the Company is illustrated in the table below:

	Balance 1 July 2023	Held at Commencement Date	Exercise of Options and Performance Rights	Net Acquisitions/ (Disposals)(1)	Held at Resignation Date	Balance at 30 June 2024
	Number of Shares					
Non-Executive Directors						
T Goyder	329,678,766	-	-	6,020,409	-	335,699,175
I Wells (2)	-	190,000	-	-	-	190,000
J Morris	66,210	-	-	20,409	-	86,619
S McLeay	160,000	-	-	20,409	-	180,409
A Parker	-	-	-	-	-	-
A Cipriano(3)	16,100,000	-	-	20,410	16,120,410	-
C Williams(4)	29,767,515	-	1,000,000	20,409	30,787,924	-
Executives						
A Ottaviano	4,922,754	-	2,471,217	(801,524)	-	6,592,447
A Smits	7,574,873	-	110,954	(2,500,000)	-	5,185,827
J Latto	-	-	-	-	-	-
Total	**388,270,118**	**190,000**	**3,582,171**	**2,800,522**	**46,908,334**	**347,934,477**

(1) Acquisitions and disposals refer to shares purchased and sold on the open market.
(2) Mr Wells appointed 1 January 2024
(3) Mr Cipriano resigned 31 December 2023.
(4) Mr Williams resigned 31 March 2024.

Share-Based Payments

Directors, executives, key employees and consultants may be eligible to participate in equity-based compensation via the Employee Securities Incentive Plan.

Options

Under the terms and conditions of the Incentive Plan, options issued allow the holder the right to subscribe to one fully paid ordinary share. Any option not exercised before expiry will lapse on the expiry date.

There are no participating rights or entitlements inherent in the options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. All shares allotted upon the exercise of options will rank pari passu in all respect with other shares.

Options over Equity Instruments granted as Compensation Instruments

No options over ordinary shares were granted as compensation to any KMP or employees during the year. The following table shows a reconciliation of the number of options held by each KMP during FY24:

	Balance 1 July 2023	Granted as Remuneration	Grant Date	Options Exercised	Amount paid per share	Held at Date of Resignation	Balance 30 June 2024	Vested - Held
	Number	Number	Date	Number	Dollar	Number	Number	Number
Non-Executive Directors								
T Goyder	-	-	-	-	-	-	-	-
I Wells(1)	-	-	-	-	-	-	-	-
J Morris	500,000	-	-	-	-	-	500,000	100%
S McLeay	-	-	-	-	-	-	-	-
A Parker	-	-	-	-	-	-	-	-
A Cipriano(2)	-	-	-	-	-	-	-	-
C Wiliams(3)	1,000,000	-	-	(1,000,000)	-	-	-	-
Executives								
A Ottaviano(4)	2,500,000	-	-	(2,500,000)	-	-	-	-
A Smits	-	-	-	-	-	-	-	-
J Latto	-	-	-	-	-	-	-	-

(1) Mr Wells appointed on 1 January 2024.
(2) Mr Cipriano resigned on 31 December 2023.
(3) Exercised 1,000,000 options at $0.2979 each; Mr Williams resigned on 31 March 2024.
(4) Exercised 2,500,000 options at $0.5779 each.

Vesting of Options in FY24

During the year there were no options that vested.

Performance rights

During the year, 1,781,758 performance rights were issued to Executive KMP and employees. At 30 June 2024, 5,576,508 performance rights with a nil exercise price were on issue to Executive KMP. Specific performance hurdles are required to be achieved (including market, non-market based and employment status) and are subject to Board approval before the performance rights can vest. The below table shows a reconciliation of the number of performance rights held by each KMP during the year:

2024	Balance 1 July 2023	Granted as Remuneration - STI	Granted as Remuneration - LTI	Performance Rights Exercised and Forfeited	Held at Resignation Date	Balance at 30 June 2024
	Number of Shares					
Executives						
A Ottaviano	4,311,087	184,203(1)	930,039(2)	(1,456,554)	-	3,968,775
A Smits	1,143,181	78,957(3)	255,137(4)	(202,964)	-	1,274,311
J Latto	-	78,798(3)	254,624(4)	-	-	333,422

(1) Fair value of $1.38 per right as at grant date with expiry date of 30-Jun-26.
(2) Fair value of $0.95 per right as at grant date with expiry date of 30-Jun-28.
(3) Fair value of $2.95 per right as at grant date with expiry date of 30-Jun-26.
(4) Fair value of $2.41 per right as at grant date with expiry date of 30-Jun-28.

Details of Equity Incentives Affecting Reporting Period and Future Remuneration

Details of vesting profiles of unlisted options and performance rights held by each KMP of the Group during the year ended 30 June 2024 are detailed below:

Executive	Instrument	No. Instruments	Grant Date	% Vested In Year	% Forfeited in Year	Financial Vesting Year
A Ottaviano	Performance Rights	1,250,000	4-May-21	100%	-	2024
A Ottaviano	Performance Rights	1,181,600	4-May-21	100%	-	2024
A Ottaviano	Performance Rights	1,423,854	21-Nov-22	-	-	2025
A Ottaviano	Performance Rights	184,203	14-Sep-23	73%	27%	2024
A Ottaviano	Performance Rights	930,039	14-Sep-23	-	-	2026
A Smits	Performance Rights	534,289	4-May-21	100%	-	2024
A Smits	Performance Rights	405,928	21-Nov-22	-	-	2025
A Smits	Performance Rights	78,957	14-Sep-23	73%	27%	2024
A Smits	Performance Rights	255,137	14-Sep-23	-	-	2026
J Latto	Performance Rights	78,798	14-Sep-23	73%	27%	2024
J Latto	Performance Rights	254,624	14-Sep-23	-	-	2026

Additional Information

Transactions between KMP and Related Parties

During FY24, there were no material transactions between KMP and related parties.

Amounts Payable by KMP Loans to KMP

No loans were granted to KMP during the year.

Transactions with Other Entities

Several key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

One of these entities transacted with the Group during the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

Mr McLeay is the Managing Director of mining consulting company Entech Pty Ltd. The Company used the services of Entech Pty Ltd prior to the appointment Mr McLeay becoming Non-Executive Director and the Company continues to use Entech Pty Ltd for mining consulting services, as required. During the reporting period the amount incurred was $244,410 (2023: $84,830) and the amount unpaid as at 30 June 2024 was nil (2023: nil).

End of the Audited Remuneration Report.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 70 and forms part of the Directors' Report for the year ended 30 June 2024.

Corporate Governance

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability.

Please refer to the Company website at http://www.ltresources.com.au/corporate-governance.

This report is made with a resolution of the Directors:

Antonino Ottaviano
Managing Director

Dated at Perth the 27th day of September 2024

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27 September 2024

Board of Directors
Liontown Resources Limited
Level 2, 32 Ord Street
West Perth WA 6005

Dear Board Members

Auditor's Independence Declaration to Liontown Resources Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Liontown Resources Limited and its controlled entities.

As lead audit partner for the audit of the financial report of Liontown Resources Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

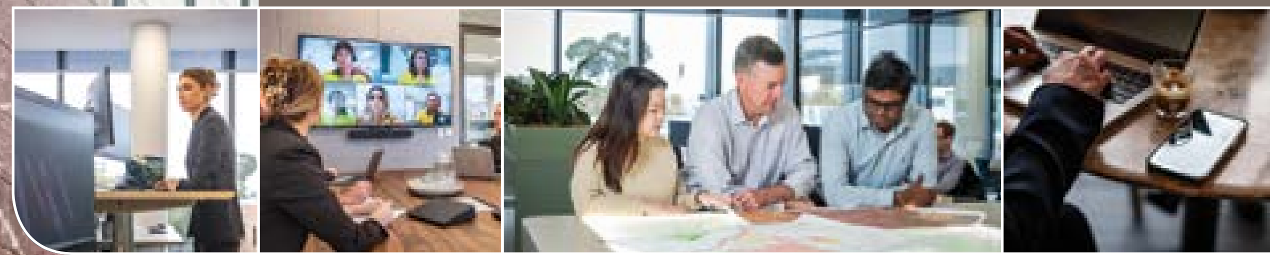
Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Financial Report



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Other income	5(a)	225	496
Corporate and administration expenses	5(b)	(41,324)	(18,032)
Exploration and evaluation expenditure expensed	5(d)	(12,299)	(11,670)
Share based payments	8	(7,083)	(4,522)
Loss before financing and tax		**(60,481)**	**(33,728)**
Finance income	5(e)	17,496	11,564
Finance expense	5(e)	(21,927)	(241)
Loss before income tax		**(64,912)**	**(22,405)**
Income tax (expense)/benefit	6	(6)	192
Net loss after tax		**(64,918)**	**(22,213)**
Other comprehensive (loss)/income Items that will not be reclassified to profit or loss			
Net (loss)/gain on fair value of financial assets, net of tax		(342)	332
Total comprehensive loss for the year attributable to owners of the Company		**(65,260)**	**(21,881)**
Basic loss per share (dollars per share)	7	$(0.028)	$(0.010)
Diluted loss per share (dollars per share)	7	$(0.028)	$(0.010)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	9	122,949	305,438
Trade and other receivables	10	8,340	7,413
Financial assets	11	26,357	11,409
Inventories	12	22,804	-
Total current assets		**180,450**	**324,260**
Non-current assets			
Financial assets	11	1,398	1,437
Property, plant and equipment	13	1,200,618	329,459
Other assets	14	2,458	-
Total non-current assets		**1,204,474**	**330,896**
Total assets		**1,384,924**	**655,156**
Current liabilities			
Trade and other payables	15	127,979	73,489
Lease liabilities	16	6,491	1,210
Provisions	17	2,811	1,094
Interest bearing loans and borrowings	18	232	42
Total current liabilities		**137,513**	**75,835**
Non-current liabilities			
Interest bearing loans and borrowings	18	317,664	115,192
Lease liabilities	16	136,527	4,829
Provisions	17	23,148	9,564
		477,339	**129,585**
Total liabilities		**614,852**	**205,420**
Net assets		**770,072**	**449,736**
Equity			
Share capital	19	955,343	576,734
Accumulated losses		(196,390)	(133,226)
Reserves	20	11,119	6,228
Total equity		**770,072**	**449,736**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2023	**576,734**	**(133,226)**	**5,877**	**212**	**139**	**449,736**
Loss for the year	-	(64,918)	-	-	-	(64,918)
Other comprehensive loss	-	-	-	(342)	-	(342)
Total comprehensive loss for the year	**-**	**(64,918)**	**-**	**(342)**	**-**	**(65,260)**
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	378,513	-	-	-	-	378,513
Share-based payments	96	-	6,987	-	-	7,083
Transfer between equity items	-	1,754	(1,754)	-	-	-
As at 30 June 2024	**955,343**	**(196,390)**	**11,110**	**(130)**	**139**	**770,072**

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2022	**576,219**	**(112,683)**	**3,292**	**(120)**	**139**	**466,847**
Loss for the year	-	(22,213)	-	-	-	(22,213)
Other comprehensive gain/(loss)	-	-	-	332	-	332
Total comprehensive gain/(loss) for the year	**-**	**(22,213)**	**-**	**332**	**-**	**(21,881)**
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	248	-		-	-	248
Share-based payments	267	-	4,255	-	-	4,522
Transfer between equity items	-	1,670	(1,670)	-	-	-
As at 30 June 2023	**576,734**	**(133,226)**	**5,877**	**212**	**139**	**449,736**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024	2023
		$'000	$'000
Cash flows from operating activities			
Cash paid to suppliers and employees		(53,111)	(15,846)
Payments for exploration and evaluation		(12,498)	(11,450)
Interest received		18,593	10,827
Government grants and incentives		-	117
Net cash used in operating activities	**9**	**(47,016)**	**(16,352)**
Cash flows from investing activities			
Payments for plant and equipment		(665,729)	(232,654)
Payment for financial assets		(15,057)	(11,416)
Net cash used in investing activities		**(680,786)**	**(244,070)**
Cash flows from financing activities			
Proceeds from borrowings		181,251	118,749
Repayment of borrowings		(109)	(6)
Borrowing costs paid		(11,537)	(5,213)
Proceeds from issue of shares		389,943	298
Payment for share issue costs		(11,192)	(50)
Repayment of lease liabilities		(3,043)	(880)
Interest paid		-	(114)
Net cash from financing activities		**545,313**	**112,784**
Net decrease in cash and cash equivalents		(182,489)	(147,638)
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at the beginning of the financial year		305,438	453,076
Cash and cash equivalents at the end of the financial year	**9**	**122,949**	**305,438**

The consolidated statement of cash flows to be read in conjunction with the accompanying notes.

Contents of the Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Basis of Preparation

This section of the financial report sets out the Group's (being Liontown Resources Limited and its controlled entities) accounting policies that relate to the Consolidated Financial Statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

The notes include information which is required to understand the Consolidated Financial Statements and is material and relevant to the operations and the financial position and performance of the Group.

Information is considered relevant and material if:

- The amount is significant due to its size or nature;
- The amount is important in understanding the results of the Group;
- It helps to explain the impact of significant changes in the Group's business; or
- It relates to an aspect of the Group's operations that is important to its future performance.

1. Corporate Information

The Consolidated Financial Statements of Liontown Resources Limited for the year ended 30 June 2024 was authorised for issue on 27 September 2024.

Liontown Resources Limited (the 'Company' or 'Liontown') is a for-profit company limited by shares, whose shares are publicly traded on the Australian Securities Exchange. The Company and most of its subsidiaries were incorporated and domiciled in Australia. Refer to note 22 for details of subsidiaries and country of incorporation. The registered office and principal place of business of the Company is Level 2, 32 Ord Street, West Perth, WA 6005.

The nature of the operations and principal activities are disclosed in the Directors' Report.

2. Reporting Entity

The Financial Statements are for the Group consisting of Liontown Resources Limited and its subsidiaries. A list of the Group's subsidiaries is provided at note 22.

3. Basis of Preparation

These general purpose Consolidated Financial Statements have been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

These Financial Statements have been prepared under the historical cost convention except where certain financial assets and liabilities are required to be measured at fair value.

All amounts have been rounded to the nearest thousand, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and Instrument 2023/519.

(a) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Any non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(b) Significant accounting judgements and key estimates

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Key estimates and assumptions may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

Judgement and estimates that are material to the financial report are found in the following sections:

Share based payments (note 8)	- measurement of share based payment transactions
Property, plant and equipment (note 13)	- judgements in assessing the viability and timing of assets for capitalisation
	- judgements in relation to lease extension options
	- judgements in relation to depreciation and amortisation
	- judgements in relation to production stripping
	- judgements in relation to deferred mining expenditure
Rehabilitation liability (note 17)	- measurement of mine closure provisions

(c) Functional currency translation

The functional currency of the Company is Australian dollars and the functional currency of the controlled entity based in Tanzania is United States dollars (US$). The presentation currency of the Group is Australian dollars.

Transactions in foreign currencies are translated to the Group's functional currency at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss as incurred. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates at the date of the initial transaction.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity upon translation to presentation currency.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that foreign operation is recognised in profit or loss.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australia Taxation Office (ATO) is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Leases

The Group determines whether a contract is, or contains, a lease at the commencement date. Judgement is applied to determine whether or not the contract contains an identified asset, has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and has the right to direct how and for what purpose the asset is used throughout the period of use. Judgement is also applied in assessing a supplier's right and practical ability to substitute alternative assets through the period of use.

(f) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of property, plant and equipment including mine development is dependent on the Group's estimate of the Ore Reserve that can be economically and legally extracted. The Group estimates its Ore Reserves and Mineral Resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of each ore body, and requires complex geological judgments to interpret the data.

The estimation of Ore Reserves is based on factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body and removal of waste material. Changes in these estimates may impact upon the carrying value of mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, inventory as well as depreciation and amortisation charges during the period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses for continuing operations are recognised in the income statement in expense categories consistent with the function of the impaired asset. An assessment is made at each reporting date to determine whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGUs recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(g) Adoption of new and revised Accounting Standards

In the year ended 30 June 2024, the Directors have reviewed the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. It has been determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations on issue not yet effective

Several accounting standards and interpretations have been issued and will be applicable in future periods. While these remain subject to ongoing assessment, no significant impacts have been identified to date. The Group has not early adopted the following standards and interpretations:

- AASB 101 Amendments to Australian Accounting Standards – Classification of liabilities as current or non-current/with covenants (AASB 2020-1 and related amendments) – effective date 1 January 2024;
- AASB 16 Amendments to Australian Accounting Standards – Lease liability in a sale and leaseback (AASB 2022-5) – effective date 1 January 2024;
- AASB 107/AASB Amendments to Australian Accounting Standards – Supplier finance arrangements (AASB 2023-1) – effective date 1 January 2024;
- AASB 1060 Amendments to Australian Accounting Standards – Disclosure of non-current liabilities with covenants: Tier 2 (AASB 2023-3) and supplier finance arrangements: Tier 2 disclosures (AASB 2024-1) – effective date 1 January 2024;
- AASB 13 Amendments to Australian Accounting Standards - Fair value measurement of non-financial assets of not-for-profit public sector entities (AASB 2022-10) – effective date 1 January 2024;
- AASB 10/AASB 128 Amendments to Australian Accounting Standards – Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) – effective date 1 January 2025.
- AASB 1/AASB 121/AASB 1060 Amendments to Australian Accounting Standards – Lack of exchangeability (AASB 2023-5) – effective date 1 January 2025.

(h) Going concern

The financial statements have been prepared on the going concern basis of accounting, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2024 of $64.9 million (30 June 2023: $22.2 million), and net cash outflows from operating and investing activities of $727.8 million (30 June 2023: $260.4 million).

As at 30 June 2024 the Group held cash and cash equivalents of $122.9 million (30 June 2023: $305.4 million), had an excess of current assets over current liabilities of $42.9 million (30 June 2023: $248.4 million), and had contractual capital commitments for the acquisition of property, plant and equipment for the Kathleen Valley Lithium Project (the Project) of $57.3 million (30 June 2023: $211.6 million).

As at 31 August 2024, being the most recent month end, prior to formal approval of the FY24 financial statements, the Group's cash and cash equivalents was $331.5 million, which includes funds received from the drawdown of the US$250 million (A$372.3 million) convertible notes issued to LG Energy Solution Limited on 3 July 2024. The final draw down under the Company's $300 million debt facility with Ford Motor Company of Australia Pty Ltd occurred in October 2023 for $52.7 million.

The Group completed the construction of the Kathleen Valley Lithium Project processing facility during July 2024 necessary for first production, and on 31 July 2024, the Group announced that it had commenced production of spodumene concentrate following the successful commissioning of the wet plant. The Group has now commenced a ramp-up period which is forecast to see throughput, recoveries and production progressively increase as the Group moves towards achieving commercial production in Q1 calendar year 2025.

During the year ended 30 June 2024 there have been material decreases in spot prices for lithium chemicals and spodumene concentrate, which in turn has led to significant reductions in short-and medium-term price forecasts. To counter this, the Group has commenced a number of initiatives and mitigating actions to optimise its operational plans, reduce its cost of production, and as a result improve margins, as well as defer or cancel discretionary expenditure (together referred to as "Optimisation Initiatives").

The directors have prepared a cash flow forecast (the Forecast) which assumes, amongst other things:

- the successful implementation of certain Optimisation Initiatives;
- that the ramp-up of the Project continues as planned through to Q1 calendar year 2025; and
- pricing under a number of scenarios including current spot prices throughout the forecast period.

The Forecast indicates that the Group will have sufficient liquidity to meet all commitments and working capital requirements for the 12-month period from the date of approval of this financial report.

Based on the status of ramp-up activities at the Project at the date of this report, and the Optimisation Initiatives, including the deferral or cancellation of discretionary expenditures, the directors reasonably believe that the going concern basis of preparation is appropriate.

Should the combination of spot prices for lithium chemicals and spodumene concentrate continue at their current levels (or lower) into financial year 2026, and the ramp-up of the Project does not proceed as expected, the Group would further review and rationalise its mine plan and general cost structure, and may also need additional funding. In these circumstances there is a material uncertainty that may cause significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Performance for the Year

This section provides additional information about those individual line items in the consolidated statement of profit or loss and other comprehensive income that the Directors consider most relevant in the context of the operations of the entity.

4. Segment Reporting

The Group has one reportable operating segment which is exploration and development of minerals in Western Australia. The Group's operating segment has been determined with regard to information and reporting provided to the Group's decision makers which are used to make strategic decisions regarding the Group's resources. The Managing Director is considered to be the chief decision maker. Reports to the Managing Director and the Board are based upon the Group as one segment and the financial results of this segment are equivalent to the financial statements of the Group as a whole.

5. Other Income and Expenses

(a) Other income

	2024 $'000	2023 $'000
Other income [1]	225	496
	225	496

(1) Prior year includes sale of the Toolebuc Vanadium Project tenements to Currie Rose Resources Inc for $0.3m in August 2022 (refer note 11).

Accounting policy

Other income is recognised when it is received or when the right to receive payment is established.

(b) Corporate and administration expenses

	2024 $'000	2023 $'000
Administration and general costs	14,733	8,202
Business development costs[1]	4,326	-
Depreciation and amortisation	1,379	322
Personnel expenses (5(c))	20,688	9,418
Currency loss	198	90
	41,324	18,032

(1) Includes $3.985 million of costs directly associated with the proposed (and subsequently terminated) transaction with Albemarle Corporation.

(c) Personnel expenses

	2024 $'000	2023 $'000
Directors' fees, employee wages and salaries	18,502	7,299
Other associated personnel expenses	1,838	1,863
Leave entitlements	348	256
	20,688	9,418

(d) Exploration and evaluation expenditure

	2024 $'000	2023 $'000
Kathleen Valley, WA	9,628	5,078
Buldania, WA	1,132	5,905
Other	1,539	687
	12,299	11,670

Accounting policy

Costs incurred in the exploration and evaluation stages of specific areas are expensed in the consolidated statement of profit or loss and other comprehensive income as incurred. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs, project generation and drilling costs, are expensed as incurred. In addition, costs associated with acquiring interests in new exploration licences and study related costs are also expensed. Once the technical feasibility and commercial viability of extracting a mineral resource is demonstrable in respect to an area of interest, development expenditure is capitalised to the consolidated statement of financial position.

(e) Finance income and expenses

	2024 $'000	2023 $'000
Finance income		
Interest income	17,496	11,564
Total finance income	17,496	11,564
Finance expense		
Interest expense	(169)	(167)
Interest on lease liabilities	(414)	(64)
Facility fees and charges[1]	(21,344)	(10)
	(21,927)	(241)

(1) Includes $21.315 million of bank fees, advisor fees, non-cash amortisation of borrowing costs and other costs directly associated with various debt funding streams that have been expensed during the year.

6. Income Tax

Components of income tax as follows:

	2024 $'000	2023 $'000
Current tax	-	-
Deferred tax	(6)	192
Total income tax (expense)/benefit reported in the consolidated statement of profit of loss and other comprehensive income	(6)	192

Numerical reconciliation between tax expense and pre-tax net loss:

	2024 $'000	2023 $'000
Loss before tax	(64,912)	(22,405)
Income tax benefit using the domestic corporation tax rate of 30% (2023 : 30%)	(19,473)	(6,721)
Decrease in income tax benefit due to:		
Non-deductible expenses	2,174	1,366
Deferred tax assets and liabilities not recognised	17,299	5,355
Recognised tax losses to offset DTL on financial assets	(6)	192
Income tax (expense)/benefit on loss before tax	(6)	192

Recognised deferred tax balances

	2024 $'000	2023 $'000
Deferred tax assets comprise:		
Revenue tax losses recognised	483	655
Deferred tax liabilities comprise:		
Investment in Equity Securities	(257)	(192)
Other deferred tax liabilities	(226)	(463)
Net DTA / (DTL)	-	-

Income tax in the consolidated statement of profit or loss and other comprehensive income comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

Deferred tax assets of $0.5 million (2023: $0.7 million) were used to net off deferred tax liabilities including $0.3 million (2023: $0.2 million) resulting from the fair-value gain recorded on financial assets which was recognised through other comprehensive income.

Unrecognised deferred tax assets and liabilities for the Group are attributable to the following:

	2024 $'000	2023 $'000
Assets		
Revenue losses available to offset against future taxable income	41,013	24,249
Other deferred tax assets	15,665	10,049
	56,678	34,298
Liabilities		
Other deferred tax liabilities	-	-
	-	-

The unrecognised benefit from temporary differences on capital items amounts to $4,624,270 (2023: $2,898,298).

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Liontown and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own. The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

7. Earnings/(Loss) Per Share

The calculation of basic earnings per share at 30 June 2024 is based on the loss attributable to ordinary shareholders of the parent entity and a weighted average number of ordinary shares outstanding during the year ended 30 June 2024.

The weighted average number of ordinary shares outstanding during the financial years comprised the following:

	2024	2023
Loss attributable to ordinary shareholders for basic earnings ($'000)	(64,918)	(22,213)
Weighted average number of ordinary shares on issue at the end of the year ('000)	2,351,552	2,197,047
Weighted average number of ordinary shares (diluted) on issue at the end of the year ('000)	2,351,552	2,197,047
Basic loss per share (dollars per share)	$(0.028)	$(0.010)
Diluted loss per share (dollars per share)	$(0.028)	$(0.010)

500,000 options (2023: 4,000,000 options) and 10,222,758 performance rights (2023: 10,648,835) were excluded from the diluted earnings/(loss) per share calculation.

Share-Based Payments

This section of the notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the provision of services and remuneration of employees and consultants of the Group, but that is not immediately related to individual line items in the Consolidated Financial Statements.

8. Share-Based Payments

Employee securities incentives

The Company provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Company currently provides benefits under an Employee Securities Incentive Plan (Incentive Plan). The Incentive Plan was last approved by Shareholders at the 2022 AGM.

The total expenditure recognised in the consolidated statement of profit and loss and comprehensive income is $7,082,711, (2023: $4,522,118).

Under the terms of the Incentive Plan, the Board may offer equity securities (i.e. options, performance or service rights) at no consideration to full-time or part-time employees (including persons engaged under a consultancy agreement) and executive and non-executive directors.

Options issued

No options were issued during the 2024 financial year.

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is such price as determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

The following unlisted options were on issue at the end of the year:

Series	Number	Grant date	Expiry Date	Exercise Price $	Fair Value at Grant Date $	Vesting Date
O24	500,000	24-Nov-21	23-Nov-24	2.4500	0.7783	24-Nov-21
TOTAL	500,000					

The number and weighted average exercise prices of share options is as follows:

	Weighted Average Exercise Price 2024 $	Number of Options 2024	Weighted Average Exercise Price 2023 $	Number of Options 2023
Outstanding at beginning of the year	0.742	4,000,000	0.411	12,833,334
Granted during the period			-	-
Exercised during the period	0.498	(3,500,000)	0.261	(8,833,334)
Lapsed/expired during the period	-	-	-	-
Outstanding at the end of the year	2.45	500,000	0.742	4,000,000
Exercisable at the end of the year	2.45	500,000	0.742	4,000,000

The weighted average contractual life remaining as at 30 June 2024 is 0.40 years (2023: 0.66 years).

Non-market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The following share options were exercised during the year:

Series	2024		
	Exercised Number	Exercise Date	Share Price at Exercise Date $
O20	1,000,000	3 Nov 2023	1.66
O23	2,500,000	31 Jan 2024	1.03
TOTAL	3,500,000		

Performance rights issued

During the 2024 financial year 3,263,112 performance rights were issued. As at 30 June 2024, a total of 10,222,758 performance rights were on issue to directors and employees. Specific performance hurdles are required to be achieved (including market, non-market based and employment status) and are subject to Board approval before the performance rights can vest. Performance rights granted have an expiry date and nil exercise price. The fair value of the performance rights is calculated as at grant date.

A summary of the performance rights on issue during the year is as follows:

30 June 2024

Grant date	Opening Balance	Granted	Vested	Exercised /Lapsed	Outstanding at 30 June 2024		Share Price at Date of grant ($)
					Unvested	Vested	
4 May 2021	4,165,212	-	1,652,771	1,652,771	2,512,441	-	0.400
21 Nov 2022	4,633,845	-	1,497,802	1,497,802	3,136,043	-	2.030
9 Feb 2023	791,065	-	279,199	279,199	511,866	-	1.455
30 Jun 2023	1,058,713	-	114,996	114,996	943,717	-	2.830
19 Sep 2023	-	1,743,274	144,421	144,421	1,598,853	-	3.030
05 Dec 2023	-	405,596	-	-	405,596	-	1.235
05 Dec 2023	-	1,114,242	-	-	1,114,242	-	1.235
Total	10,648,835	3,263,112	3,689,189	3,689,189	10,222,758	-	

Details of performance rights issued during the year is as follows:

Series	Number	Grant date	Expiry date	Exercise Price ($)	Fair value at grant date ($)	Vesting date
PR7	441,536	19 Sep 2023	30 June 2026	-	3.016	30 June 2024
PR7	184,203	05 Dec 2023	30 June 2026	-	1.328	30 June 2024
PR8	1,301,738	19 Sep 2023	30 June 2028	-	3.016	30 June 2026
PR8	405,596	05 Dec 2023	30 June 2028	-	1.328	30 June 2026
PR8	930,039	05 Dec 2023	30 June 2028	-	1.328	30 June 2026
Total	**3,263,112**					

Other share-based payments

Shares

During the 2024 financial year, the Company issued 77,390 shares to an employee as a sign-on incentive.

Options

During the financial year the company issued nil (2023: nil) unlisted share options that were issued outside the Incentive Plan (Non-Incentive Plan), with 500,000 options outstanding at 30 June 2024 (2023: 4,000,000).

Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company. There is no issue price for the options. The exercise price for the options is determined by the Board. An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The Board may determine the vesting period, if any.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

There were no Non-Incentive Plan unlisted options on issue at the end of the year.

Significant accounting judgements and key estimates

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using a Black Scholes or Monte Carlo simulation pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions outlined in this note.

The expected life of the share-based payments is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Assets

This section provides additional information about those individual line items in the consolidated statement of financial position that the Directors consider most relevant in the context of the operations of the Group.

9. Cash and Cash Equivalents

	2024 $'000	2023 $'000
Cash at bank[1]	122,949	130,438
Term deposits	-	175,000
	122,949	305,438

(1) $593,541 of cash held at 30 June 2024 (2023: $970,080) relates to supplier retentions, held under the Building and Construction Industry (Security of Payment) Act 2022.

Reconciliation of loss after income tax to net cash flows from operating activities:

	2024 $'000	2023 $'000
Loss for the year	(64,918)	(22,213)
Depreciation and amortisation	1,394	322
Interest expense	15,372	231
Gain from disposal of tenement	-	(349)
Share-based payments	7,083	4,522
Fair value movement on equity investment	(200)	-
Loss on asset disposal	151	-
	(41,118)	(17,487)
Changes in operating assets and liabilities:		
Increase in trade and other receivables	(340)	(4,547)
Increase in inventories	(11,857)	-
Increase in trade and other payables	5,998	5,065
Decrease/(increase) in deferred taxes	6	(192)
Increase in provisions	295	809
Net operating cash flows	(47,016)	(16,352)

Non-cash and financing activities

During the year the Company made additions of $136,677,336 to right-of-use assets inclusive of lease incentives received of $645,336 (2023: $6,507,973).

Changes in liabilities arising from financing activities

	Lease Liability $'000
Balance at 30 June 2022	231
Additions	6,508
Interest expense	180
Payments	(880)
Balance at 30 June 2023	6,039
Additions	136,671
Interest expense	3,353
Payments	(3,045)
Balance at 30 June 2024	143,018

Accounting policy

Cash and cash equivalents comprise cash balances and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents is considered to approximate fair value.

10. Trade and Other Receivables

Current – Trade and other receivables	2024 $'000	2023 $'000
Trade and other receivables (1)	5,573	7,048
Prepayments	2,767	365
	8,340	7,413

(1) Trade and other receivables includes GST receivable, interest receivable and recharges to suppliers. There was no expected credit loss at balance date.

Accounting policy

Trade receivables and other receivables are initially recognised at transaction price and subsequently at the amortised cost after providing for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 30 to 60 days. Any expected credit loss is provided for.

11. Financial Assets

Current – Financial assets	2024 $'000	2023 $'000
Bank and other guarantees	26,357	11,409
	26,357	11,409

Non-current – Financial assets	2024 $'000	2023 $'000
Investment in equity securities	1,204	1,352
Other financial assets	194	85
	1,398	1,437

Accounting policy

The value of equity securities held as an investment are initially measured at fair value. These are assessed at reporting date to ensure their separate carrying values represents their fair value. Any fair value movements (net of tax) are recorded through the Investment Revaluation reserve and through Other Comprehensive Income.

Investments held in Equity Securities

The Company received 4,000,000 shares in Lachlan Star Limited (ASX: LSA) in April 2022 for the sale of the Killaloe Gold Project. These shares have been revalued at year end to market value, based on Lachlan Stars share price on ASX at 30 June 2024.

The Company received 12,500,000 shares in Currie Rose Resources Inc (TSX: CUI) in August 2022 for the sale of the Toolebuc Vanadium Project. These shares have been revalued at year end to market value, based on the Currie Rose Resources Inc share price on the TSX at 30 June 2024.

The Company received 40,000,000 shares in Red Mountain Mining Limited (ASX: RMX) in July 2023 for the binding farm-in agreement with LBM (Aust) Pty Ltd to earn an 80% Tenement Interest in the Monjebup Project by expending not less than A$500,000 of Exploration Expenditure within the Farm-in period of 24 months. These shares have been revalued at year end to market value, based on the Red Mountain Mining Limited share price on ASX at 30 June 2024.

The Board views both shareholdings as long-term investments and as such have elected to designate this investment as at Fair Value through Other Comprehensive Income. Fair value changes on the investment are therefore accounted for through Other Comprehensive Income and in equity through an Investment Revaluation Reserve (refer note 20).
The financial asset is level 1 in the fair value measurement hierarchy.

Bank & Other Guarantees

In 2023, the Company secured a $25 million demand guarantee facility from Export Finance Australia (EFA) as part of the security package underpinning the construction of the Hybrid Power Station at Kathleen Valley. The terms of the guarantee require the Company to make incremental cash payments to EFA to cover the $25 million guarantee facility. At reporting date, the Company had deposited $25 million in an interest bearing account with EFA.

12. Inventories

Current	2024 $'000	2023 $'000
Ore stockpiles - at cost	22,804	-
	22,804	-

Ore stockpiles are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Pre-production inventory was valued using the direct cost of mining allocated between clean ore and other material mined pro-rata based on tonnes, in line with the pre-production inventory policy.

Kathleens' Corner Open Pit Mine commenced commercial production on 1 February 2024. From this date, costs were assigned to individual items of inventory on the basis of weighted average costs. Costs include direct materials, direct labour and a proportion of variable and fixed overhead expenditure which is directly related to the production of inventories to the point of sale.

Ore inventories expected to be utilised within twelve months after the balance sheet date are classified as current assets. All other inventory is classified as non-current.

13. Property, Plant and Equipment

2024	Mine properties $'000	Plant and equipment $'000	Right of use assets $'000	Assets under construction $'000	Total $'000
Cost	189,940	73,969	141,102	811,138	1,216,149
Accumulated depreciation	(8,297)	(2,842)	(4,392)	-	(15,531)
Net book value	**181,643**	**71,127**	**136,710**	**811,138**	**1,200,618**
Opening net book value	9,520	4,556	4,578	310,805	329,459
Additions	69,457	3,025	136,032	672,874	881,388
Disposals	-	(317)	(221)	-	(538)
Transfer between classes	110,963	66,373	-	(177,336)	-
Depreciation and amortisation(1)	(8,297)	(2,510)	(3,679)	4,795	(9,691)
Net book value	**181,643**	**71,127**	**136,710**	**811,138**	**1,200,618**

(1) *Depreciation and amortisation of $8.3 million has been included in the inventory balance, $4.8 million has been capitalised to Assets under construction and $1.4 million has been included in the income statement.*

2023					
Cost	9,520	4,887	5,291	310,805	330,503
Accumulated depreciation	-	(331)	(713)	-	(1,044)
Net book value	**9,520**	**4,556**	**4,578**	**310,805**	**329,459**
Opening net book value	186	473	148	26,178	26,985
Additions	9,334	4,234	5,068	284,627	303,263
Disposals	-	(9)	-	-	(9)
Depreciation charge	-	(142)	(638)	-	(780)
Net book value	**9,520**	**4,556**	**4,578**	**310,805**	**329,459**

At 30 June 2024 the Group had outstanding contractual capital commitments of $57.3 million (2023: $211.6 million) which are expected to be settled prior to 30 June 2025.

Accounting policy

Mine properties

Mine property assets include costs incurred in accessing the ore body and costs to develop the mine to the production phase once the technical feasibility and commercial viability of a mining operation has been established. Assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses recognised. The initial cost of an asset comprises of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the estimate of the rehabilitation costs. During the year, the Company reclassified $180.4 million from assets under construction to mine properties following commencement of commercial production at the Kathleen's Corner open pit effective 1 February 2024.

Plant and equipment

Plant and equipment assets are stated at historical cost less accumulated depreciation and accumulated impairment losses recognised. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset into use. Items of plant and equipment that were initially recognised are derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Gains or losses arising on derecognition of the asset are included in the Consolidated Statement of Profit or Loss when the asset is derecognised.

Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right-of-use assets are subject to impairment.

Assets under construction

Assets under construction include the cost of developing mine property and plant and equipment assets once the technical feasibility and commercial viability of a project has been established. When construction is completed, or commercial production has been determined the asset is reclassified to the relevant category of property, plant and equipment. At 30 June 2024, the balance of assets under construction mainly relate to underground development and construction of the processing plant.

Development expenditure includes the direct costs of construction, pre-production costs and qualifying borrowing costs incurred during the construction phase. During the year, $0.8 million of borrowing costs and $16.7 million of interest were capitalised into Assets under construction (refer note 18). These costs are not amortised until the asset is determined to be available for use. The carrying value is assessed for impairment whenever the facts and circumstances suggest that the carrying amount of the asset may exceed the recoverable amount.

Kathleen Valley impairment assessment

A review of potential impairment indicators for the Kathleen Valley Cash Generating Unit (CGU) was undertaken during 2024, with the significant decline in spodumene prices, which triggered significant reductions in short- and medium-term lithium price forecasts being identified as an impairment trigger.

As a result, an impairment test was performed to determine the recoverable amount for the Kathleen Valley CGU.

Recoverable amount:

The recoverable amount of the CGU is the greater of its fair value less costs of disposal (FVLCD) (based on level 3 fair value hierarchy) and its value-in-use (VIU), using an asset's estimated future cash flows (as described below) discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Recoverable amount has been determined based on FVLCD. Given the nature of the Company's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, the FVLCD for the CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGU using market-based pricing assumptions for spodumene concentrate and lithium hydroxide, forecast production volumes underpinned by the level of probable ore reserves and measured, indicated and inferred mineral resources, operating costs and capital requirements, all of which are based on the CGU's latest mine plans. These cash flows are discounted using a real post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The impairment test showed no impairment loss, and therefore no impairment charge was recognised in the financial statements.

Key judgement, estimates and assumptions:

Amortisation and impairment

The Group uses the unit of production basis when amortising mine specific assets which results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property. These calculations require the use of estimates and assumptions.

Development assets are amortised based on the unit of production method which results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. Where there is a change in the reserves the amortisation rate is adjusted prospectively in the reporting period in which the change occurs. The net carrying values of development expenditure carried forward are reviewed half yearly by Directors to determine whether there is any indication of impairment.

Production stripping:

The life of mine strip ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of mine strip ratio even if they do not affect the mine's design. Changes to the life of mine strip ratio are accounted for prospectively.

Deferred mining expenditure:

The Group defers mining costs incurred during the production stage of its operations. Changes in an individual mine's design will generally result in changes to the life of mine strip ratio. Changes in other technical and economic parameters that impact reserves will also have an impact on the life of mine ratio even if they do not affect the mine's design. Changes to the life of mine ratio are accounted for prospectively.

Ore reserves:
The Group estimates Ore Reserves and mineral resources each year based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC code'). Estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made including estimates of short and long-term commodity prices, exchange rates, future operating performance, and capital requirements. Changes in reported reserve estimates can impact the carrying value of plant and equipment and development, provision for restoration and rehabilitation obligations as well as the amount of depreciation and amortisation.

14. Other Assets

	2024 $'000	2023 $'000
Borrowing costs	2,458	-

Borrowing costs relate to the five-year US$250 million convertible notes secured with LG Energy Solution Limited (LGES). The facility was not available for use as at 30 June 2024, but was fully executed and drawn down in July 2024 and the borrowing costs will be transferred to offset borrowing liabilities on the consolidated statement of financial position in FY25. The borrowing costs will be amortised over the term of the debt facility (refer note 18).

Equity and Liabilities

15. Trade and Other Payables

	2024 $'000	2023 $'000
Trade payables	5,110	2,765
Accrued expenses	122,249	69,180
Other payables	620	1,544
	127,979	73,489

16. Lease Liabilities

	2024 $'000	2023 $'000
Current	6,491	1,210
Non-current	136,527	4,829
Total lease liability	**143,018**	6,039

Lease liabilities reconciliation

	2024 $'000	2023 $'000
Reconciliation		
As at 1 July	6,039	231
Additions to lease liability	136,671	6,508
Interest on lease liabilities	3,353	180
Lease repayments (cash)	(3,045)	(880)
As at 30 June	**143,018**	6,039

Maturity Analysis by year

	On Demand $'000	Less than 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	5+ years $'000	Total $'000
Lease payments[1]	-	19,230	18,805	18,528	18,450	18,156	155,721	**248,890**

(1) *Undiscounted payments across the total maturity profile.*

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between one and 15 years, while motor vehicles and other equipment generally have lease terms between one and five years.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As at 30 June 2024 lease liabilities have a weighted remaining lease term of 13 years 9 months and were determined using a weighted average effective interest rate of 8.27%. The undiscounted cash-flows over the remaining lease term across all segments are $248.9 million.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group applies the short-term lease recognition exemption for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

During the year, the Group incurred short-term lease expenses of $0.8 million (2023: $0.6 million). These amounts were not required to be included in the measurement of the lease liability and were recognised in the income statement.

17. Provisions

	2024 $'000	2023 $'000
Current		
Annual leave	2,618	1,089
Other accrued employee entitlements	193	5
	2,811	1,094
Non-Current		
Rehabilitation and restoration	23,073	9,520
Provision for long service leave	58	27
Other provisions	17	17
	23,148	9,564

Reconciliation of rehabilitation and restoration costs:

	2024 $'000	2023 $'000
Opening book value	9,520	186
Revision of provision during the year	13,553	9,334
Expenditure on rehabilitation and restoration	-	-
Discount unwound	-	-
	23,073	9,520

Significant accounting judgements and key estimates

The Group assesses its rehabilitation and restoration provision at each reporting date. Significant estimates and assumptions are made in determining the provision as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent, timing and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs.

The key assumptions used are as follows:

- Life of mine of 23 years
- Inflation rate of 2.5% per annum
- Discount rate of 4.83% per annum

18. Interest Bearing Loans and Borrowings

	2024			2023		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
Secured						
Debt facility	-	316,955	316,955	-	115,082	115,082
Other loans	232	709	941	42	110	152
Total borrowings	**232**	**317,664**	**317,896**	42	115,192	115,234

Reconciliation of interest bearing loans and borrowings:

	Debt Facility $'000	Other Loans $'000	Total $'000
Balance at 30 June 2022	-	-	-
Additions	118,749	158	118,907
Interest	1,507	1	1,508
Payments	-	(7)	(7)
Borrowing costs	(5,174)	-	(5,174)
Balance at 30 June 2023	115,082	152	115,234
Additions	181,251	880	182,131
Capitalised interest	20,622	18	20,640
Payments	-	(109)	(109)
Balance at 30 June 2024	316,955	941	317,896

Maturity Analysis by year

30 June 2024	On Demand $'000	Less than 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	5+ years $'000	Total $'000
Debt facility(1)	-	-	44,786	54,785	56,414	53,408	185,767	**395,160**
Other loans(1)	-	232	232	225	154	98	-	**941**

(1) Undiscounted payments across the total maturity profile.

Maturity Analysis by year

30 June 2023	On Demand $'000	Less than 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	5+ years $'000	Total $'000
Debt facility(1)	-	-	32,117	42,218	43,998	12,518	-	**130,851**
Other loans(1)	-	46	46	46	37	-	-	**175**

(1) Undiscounted payments across the total maturity profile.

Ford Debt Facility

The Company entered into a Funding Facility with a subsidiary of the Ford Motor Company to partially fund the development costs of the Kathleen Valley Lithium Project in June 2022.

The key terms of the Ford debt facility are as follows:

- Total debt facility of up to $300 million.
- Interest rate of 1.5% per annum + Australian Bank Bill Swap Rate, updated quarterly.
- Interest capitalised until earliest of commencement of supply or 1 September 2025.
- Maturity date of five years from the commencement of supply.
- Quarterly repayments over the life of the loan, from commencement of supply with a balloon payment upon maturity.
- Senior security over Kathleen Valley Lithium Project assets and shares held in the borrower in the wholly owned subsidiary, LRL (Aust) Pty Ltd.
- Supply commencement to occur no later than 1 September 2025.

There are no other financial covenants associated with this debt facility, however as is customary with facilities of this nature it is subject to undertakings and other commitments, all of which have been, and are forecast to continue to be, complied with.

At 30 June 2024, the $300 million facility was fully drawn. Using the effective interest rate method, $0.9 million of borrowing costs and $18.2 million of interest was amortised from inception to 30 June 2024 and capitalised into Asset Under Construction.

19. Capital and Capital Management

Ordinary shares on issue:

	2024		2023	
	No. ('000)	$'000	No. ('000)	$'000
On issue at the beginning of the year	2,202,255	576,734	2,192,225	576,219
Rights issues and placements (1)	202,778	365,000	-	-
Issue of shares (share purchase plan) (2)	15,420	24,645	-	-
Issue of shares for unlisted options (3)	2,221	298	7,937	298
Issue of shares for performance rights (4)	2,254	-	1,909	-
Issue of shares to employees (incentive plan) (5)	77	96	184	267
Less share issue costs	-	(11,430)	-	(50)
Movement during the year	222,750	378,609	10,030	515
On issue at the end of the year	**2,425,005**	**955,343**	**2,202,255**	**576,734**

(1) On 24 October 2023, the Company completed a placement to raise $365 million (before costs) by issuing 202,777,778 fully paid ordinary shares at an issue price of $1.80 per share.
(2) On 27 November 2023, the Company completed a Share Purchase Plan to raise $13.8 million by issuing 9,419,321 fully paid ordinary shares at an issue price of $1.47 per share. An additional Share Purchase Plan was also completed on 5 December 2023 to raise $10.8 million by issuing 6,000,000 fully paid ordinary shares to Tim Goyder at an issue price of $1.80 per share.
(3) In FY2024, 1,000,000 options were exercised with an exercise price of $0.2979 per share. Furthermore, 2,500,000 options were exercised on a cashless basis for 1,221,217 ordinary shares.
(4) In FY2024, 2,253,588 performance rights vested and were issued to KMP and other employees. The shares were issued for nil consideration.
(5) In FY2024, 77,390 shares were issued to employees as a sign-on incentive. The shares were issued for nil consideration and were recognised as share-based payments and expensed during the year.

20. Reserves

	2024 $'000	2023 $'000
Share-based payments reserve	11,110	5,877
Investment revaluation reserve	(130)	212
Foreign currency translation reserve	139	139
Total Reserves	**11,119**	**6,228**

Share-based payment reserve

The share-based payments reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and other parties as part of their compensation for services. Refer to note 8 for further details of share-based payment plans.

	2024 $	2023 $
Balance at beginning of the financial year	5,877	3,292
Share-based payments	6,987	4,255
Transfers to Accumulated Losses and Share Capital	(1,754)	(1,670)
	11,110	**5,877**

Investment revaluation reserve

The investment revaluation reserve is used to record the fair value movement of investments in listed equity securities at balance date. Refer to note 11 for further details.

	2024 $'000	2023 $'000
Balance at beginning of the financial year	212	(120)
Fair value movement on revaluation of financial assets	(348)	524
Tax effect on investment revaluations and disposals	6	(192)
Balance at the end of the financial year	**(130)**	**212**

Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Financial Instruments

21. Financial Instruments

(a) Capital risk management

The capital structure of the Group consists of equity attributable to equity holders, comprising issued capital, reserves and accumulated losses as disclosed in notes 19 and 20, and in the consolidated statement of financial position. A $300 million debt facility was executed in June 2022 with the Ford Motor Company, which was fully drawn down by 30 June 2024.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as debt funding or refinancing of debt (where appropriate), if the need arises.

(b) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, equity prices, commodity prices and interest rates will affect the Group's income or value of its holdings of financial instruments.

The Group currently has exposure to both equity price risk and interest rate risk. As part of the Kathleen Valley Lithium Project development and operations, the Company will have exposure to commodity price risk. The Board reviews the exposure to these risks on a regular basis to ensure that the Group is not adversely affected by movements in these exposures.

(c) Foreign exchange rate risk

The Group undertakes certain transactions denominated in foreign currencies, hence has exposure to exchange rate fluctuations. The Group does not currently hedge this exposure. The Group currently has no significant exposure to foreign exchange rates.

The Board reviews the exposure to these risks on a regular basis to ensure that the Group is not adversely affected by movements in these exposures.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of an interest-bearing financial instrument will fluctuate because of changes in market interest rates. The following tables demonstrate the sensitivity of the exposure at the balance sheet date to a reasonably possible change in interest rates.

	Effect on profit before tax	
	2024 $'000	2023 $'000
100 basis points increase	1,507	3,940
100 basis points decrease	(1,507)	(3,940)

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The consolidated entity's exposure to credit risk is not significant and currently arises principally from sundry receivables which represent an insignificant proportion of the Group's activities and cash and cash equivalents.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the notes to the financial statements.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board actively monitors the Group's ability to pay its debts as and when they fall due by regularly reviewing the current and forecast cash position based on the expected future activities.

30 June 2024	Less than 6 months $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Trade and other payables	127,979	-	-	-	-	-	127,979
Lease Liabilities	9,615	9,615	18,805	55,134	155,721	248,890	143,018
Interest bearing loans and borrowings	116	116	45,018	165,084	185,767	396,101	317,896

30 June 2023	Less than 6 months $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Trade and other payables	73,489	-	-	-	-	-	73,489
Lease Liabilities	899	848	1,715	2,866	1,349	7,677	6,039
Interest bearing loans and borrowings	23	23	32,163	98,817	-	131,026	115,234

(g) Net fair values of financial instruments

The carrying amount of all financial assets and liabilities approximate their net fair values.

Group Composition

This section of the notes includes information that must be disclosed to comply with accounting standards and other pronouncements relating to the structure of the Group, but that is not immediately related to individual line items in the Financial Statements.

22. List of Subsidiaries

	Country of Incorporation	Ownership Interest 2024 %	Ownership Interest 2023 %
Parent entity			
Liontown Resources Limited	Australia		
Subsidiaries			
Liontown Resources (Tanzania) Limited[1]	Tanzania	100%	100%
LRL (Aust) Pty Ltd	Australia	100%	100%
Kathleen Valley Holdings Pty Ltd	Australia	100%	100%
LTR BM Pty Ltd	Australia	100%	100%
LBM (Aust) Pty Ltd	Australia	100%	100%
LBM (SA) Pty Ltd	Australia	100%	-%
Buldania Holdings Pty Ltd	Australia	100%	100%
Buldania Lithium Pty Ltd	Australia	100%	100%

(1) T Goyder holds 1 of the 648,887 shares issued by the Company.

23. Parent Entity Information

The financial information for the parent entity, Liontown Resources Limited, has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost less impairment in the parent entity's financial statements.

	2024 $'000	2023 $'000
Statement of profit and loss and other comprehensive income		
Loss for the year	(31,961)	(10,001)
Total comprehensive loss	(31,961)	(10,001)
Statement of Financial Position		
Current assets	121,525	188,083
Non-current assets	662,693	268,671
Total assets	784,218	456,754
Current liabilities	9,927	3,908
Non-current liabilities	4,219	3,110
Total liabilities	14,146	7,018
Net assets	**770,072**	**449,736**
Equity		
Share capital	955,343	576,734
Reserves	10,980	6,228
Accumulated losses	(196,251)	(133,226)
Total equity	**770,072**	**449,736**

Other Information

This section of the notes includes other information that must be disclosed to comply with accounting standards and other pronouncements, but that is not immediately related to individual line items in the Financial Statements.

24. Contingent Assets and Liabilities

For the year ended 30 June 2024, there are no contingent assets and liabilities (2023: $nil).

25. Remuneration of Auditors

	2024 $'000	2023 $'000
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Audit and review services	233	116
Assurance services	40	-
Other - tax compliance and other services	39	45
	312	161

26. Commitments

Tenement Commitments

In order to maintain current rights of tenure to exploration tenements the Group, together with its joint venture partners, is required to perform exploration work to meet the minimum expenditure requirements specified by various State governments. These amounts are subject to negotiation when a lease application and renewal is made and at other times. The approximate minimum level of expenditure to retain current tenements which are not provided for in the Consolidated Financial Statements are detailed below:

	2024 $'000	2023 $'000
Within 1 year	732	735
1-5 years	2,039	2,208
>5 years	2,821	3,119
	5,592	6,062

To the extent that expenditure commitments are not met, tenement areas may be reduced, and other arrangements made in negotiation with the relevant State and Territory government departments on renewal of tenements to defer expenditure commitments or partially exempt the Company.

Power Purchase Agreement

In December 2022, the Company executed a 15-year Power Purchase Agreement with Zenith Energy for the long term supply of electricity for the Kathleen Valley Lithium Project. Zenith Energy built, own and operate the power station exclusively for the Company, and commissioning of the 95MW hybrid power station was successfully completed in June 2024. Liontown's contractual exposure relates to termination costs of $147.9 million as at 30 June 2024.

Refer to note 13 for information in relation to outstanding contractual capital commitments as at 30 June 2024.

27. Related Party Transactions

(a) Key management personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors

- Timothy Goyder – Chair
- Anthony Cipriano - Lead Independent Non-Executive Director (resigned 31 December 2023)
- Craig Williams - Non-Executive Director (resigned 31 March 2024)
- Jennifer Morris – Non-Executive Director
- Shane McLeay - Non-Executive Director
- Adrienne Parker – Non-Executive Director
- Ian Wells – Non-Executive Director (appointed 1 January 2024)

Executives

- Antonino Ottaviano - Managing Director and Chief Executive Officer (CEO)
- Adam Smits – Chief Operating Officer (COO)
- Jon Latto – Chief Financial Officer (CFO)

The key management personnel compensation is as follows:

	2024 $	2023 $
Short-term employee benefits	2,965,495	2,266,348
Long-term employee benefits	293,600	-
Post-employment benefits	228,944	221,034
Share-based payments	2,613,357	2,511,714
	6,101,396	4,999,096

(b) Loans made to key management personnel and related parties

No loans were made to key management personnel and their related parties.

(c) Other transactions with key management personnel

Management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

One entity transacted with the Group during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

	2024 $	2023 $
Mining consulting services (1)	244,410	84,830
	244,410	84,830

(1) One of the Company's non-executive director Mr Shane McLeay is Managing Director of Entech Pty Ltd who provide mining consulting services to the Company. The services are provided on "as required basis" and on normal commercial terms.

Amounts payable to KMP and related parties at reporting date arising from these transactions was nil (2023: $nil).

28. Events Occurring after the Reporting Period

Convertible Note with LG Energy Solution Ltd

On 2 July 2024, the Company announced that it had entered into a subscription agreement with LG Energy Solution Ltd (LGES) pursuant to which LGES has agreed to subscribe for US$250,000,000 of unlisted convertible notes, convertible into fully paid ordinary shares in the Company (Convertible Notes).

On 4 July 2024 the Company announced that it had issued the Convertible Notes to LGES having received the full proceeds under the Convertible Note Subscription Agreement.

The Convertible Notes are convertible at the option of LGES into ordinary shares, either in whole or in part, at the conversion price of $1.80 per ordinary share any time after 4 January 2025 up until the date that is five business days prior to the maturity date. For further information, please refer to the Company's announcement on 2 July 2024 titled "Strategic partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley" for a summary of the key terms of the Convertible Notes. An extract of the key features is provided below:

Topic	Summary
Issuer	Liontown Resources Limited
Principal amount and initial face value	The aggregate principal amount of the Convertible Notes is US$250,000,000 divided into 250,000,000 Convertible Notes each with an initial face value of US$1.00
Maturity date	4 July 2029
Interest rate	Secured Overnight Financing Rate
Interest payment dates	Semi-annually up to the Maturity Date (or earlier if redeemed or converted)
Interest payment	Within the first two 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 Company's election. After the first 2 years, interest is to be paid in cash to the extent that the Company has Available Cash as calculated in accordance with the terms of the contract. Any balance of interest not paid in cash is to be paid by way of any issuance of share at the prevailing market price at the time.
Tax Gross-up	Payments under the Convertible Notes to be grossed up to account for any tax required to be withheld.

The Convertible Notes include embedded derivatives. The debt host component of the Convertible Notes is initially recognised as a financial liability at fair value (being fair value of the proceeds received less the fair value of the embedded derivatives and transaction fees) and subsequently, the debt is measured at amortised cost. Any movements in the fair value of the embedded derivatives and effective interest associated with the debt host component will be recognised in the Company's consolidated statement of profit or loss.

The fair value of the embedded derivatives at the issue date has been estimated using a combination of a Black Scholes option pricing model and a Monte Carlo option pricing model. The net proceeds received from the issuance of the Convertible Notes have been split between a loan liability and a derivative financial liability component, representing the fair value of the embedded derivative, as follows:

Convertible Notes proceeds	2025 $'000
Nominal value of Convertible Notes issued(1)	**372,286**
Transaction fees	(2,458)
Net Convertible Notes proceeds	**369,828**
Accounting treatment at inception	
Interest bearing loans	301,038
Derivative financial liability	68,790
Total current liabilities	**369,828**

(1) Converted using an exchange rate of AUD:USD of 0.6715.

Consolidated Entity Disclosure

This Consolidated Entity Disclosure Statement has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to different conclusions on residency.

				Tax Residency	
	Type of Entity	Ownership Interest	Country of Incorporation	Australian or foreign	Foreign jurisdiction
Parent entity					
Liontown Resources Limited	Body Corporate	-	Australia	Australian	N/A
Subsidiaries					
Liontown Resources (Tanzania) Limited(1)	Body Corporate	100%	Tanzania	Australian(2)	Tanzania
LRL (Aust) Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
Kathleen Valley Holdings Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
LTR BM Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
LBM (Aust) Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
LBM (SA) Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
Buldania Holdings Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
Buldania Lithium Pty Ltd	Body Corporate	100%	Australia	Australian	N/A

(1) T Goyder holds 1 of the 648,887 shares issued by the Company.
(2) Classified as an Australian tax resident under ITAA 1997, but is also a tax resident of its country of incorporation under that country's law.

Entities listed above are part of the consolidated entity as at 30 June 2024.

Directors' Declaration

1. In the opinion of the Directors of Liontown Resources Limited (the Company):

   (a) the financial statements, notes and additional disclosures of the Group are in accordance with the *Corporations Act 2001* including:

      i. giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

3. The information disclosed in the consolidated entity disclosure statement on page 105 is true and correct.

This declaration is signed in accordance with a resolution of the Directors:

Antonino Ottaviano

Managing Director

Dated this 27th day of September 2024

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Independent Auditor's Report to the members of Liontown Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Liontown Resources Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 (h) in the financial statements, which indicates that the Group has incurred a net loss after tax for the year ended 30 June 2024 of $64.9 million, and experienced net cash outflows from operating and investing activities of $727.8 million. These conditions, along with other matters set forth in Note 3 (h), indicate that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Accounting for Property, Plant and Equipment: assets under construction and mine properties
 	
As at 30 June 2024, the carrying value of Property, Plant and Equipment (PPE) amounts to $1,200.6 million.
 	
Included within this balance is $811.1 million of expenditure related to the development of the Kathleen Valley Project (Project) which is capitalised as part of assets under construction, and $181.6 million related to mine properties, which primarily relate to costs associated with open pit mining operations at the Project, as disclosed in Note 13.
 	
Additions to assets under construction totalled $672.9 million during the year, with $177.3 million transferred out of assets under construction to mine properties and plant and equipment as a result of the related assets being ready for intended use during the year.
 	
Additions to mine properties, excluding transfers from assets under construction totalled $69.5 million during the year.
 	
Accounting for asset under construction carries judgement with respect to:
• additions and whether underlying expenditure incurred should be capitalised or expensed; and
• the timing of transfers out of assets under construction, following an asset being ready for its intended use.
 	
Accounting for the open pit operations requires judgement in determining:
• the commencement of the production phase of the open pit;
• the allocation of mining costs between operating and capital expenditure in accordance with the deferred stripping ratio; and
	Our procedures with respect to capitalised expenditure associated with assets under construction included, but were not limited to:
	• obtaining an understanding of the key controls management has in place in relation to the capitalisation of expenditures;
	• testing, on a sample basis, the additions to assets under construction through agreeing to source documents, including assessing the appropriateness of capitalising the expenditure incurred, and ensuring that additions are recognised in the correct period;
	• assessing the appropriateness of capitalising borrowing costs as part of assets under construction in accordance with the requirements of AASB 123 *Borrowing Costs*; and
	• assessing the classification of additions to assets under construction during the year, to ensure that such assets remain appropriately classified within assets under construction as at 30 June 2024, and that the related assets are not ready for their intended use as at 30 June 2024.
	
	Our procedures with respect to the Group's open pit mining operations included, but were not limited to:
	• assessing the reasonableness of when the open pit operations entered the production phase, with reference to various factors including, but not limited to considering:
	  ○ the monthly strip ratios being achieved, compared to the life of mine strip ratio; and
	  ○ the volume of ore tonnes mined on a monthly basis, compared to total ore tonnes included within the life of mine.
	• on a sample basis, testing mining costs incurred through to source data to assess the accuracy and classification of mining costs incurred;
	• assessing the deferred stripping model for reasonableness by agreeing monthly strip ratios to underlying physical data and performing a comparison to life of mine strip ratios based on most recent life of mine information; and

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• determination of the units of production used to amortise mine properties.
 	
Further, open pit mining requires life of mine strip ratios to be determined and continuously reviewed as production progresses. Costs are capitalised to the extent they relate to expenditures incurred in creating future access to ore rather than current period inventory.
 	
Amortisation is based on the most recent Ore Reserves. Amortisation rates for the open pit operations will be updated annually when estimated life of mine reserves are revised.
 	
Due to the materiality of the balances noted above, and level of judgement applied we consider accounting for assets under construction and mine properties to be a key audit matter.
	• checking the mathematical accuracy of the modelling.
	
	Our procedures with respect to the Group's unit of production amortisation calculations included, but were not limited to:
	• testing the mathematical accuracy of the rates applied; and
	• agreeing the inputs to source documentation, including:
	  o the allocation of tonnes to the open pit; and
	  o the tonnes to the applicable reserves statement.
	
	We also assessed the adequacy of the disclosures included in Note 13 to the financial statements.

Restoration and rehabilitation provision At 30 June 2024, the Group recorded restoration and rehabilitation provisions of $23.1 million. As disclosed in note 17, judgement is required in the determination of the rehabilitation provision, including: • assumptions relating to the manner in which rehabilitation will be undertaken; • scope and quantum of costs, and timing of the rehabilitation activities; and • the determination of appropriate inflation and discount rates to be adopted. The significant assumptions and estimates outlined above require significant judgement, and changes to these assumptions can lead to material changes in the restoration and rehabilitation provision. Consequently, we consider accounting for the restoration and rehabilitation provision to be a key audit matter.	Our procedures included, but were not limited to: • obtaining an understanding of, and assessing the design and implementation of, the key controls management has in place to estimate the rehabilitation provision; • agreeing rehabilitation cost estimates to underlying support, including where applicable reports from external experts and challenging the reasonableness of key assumptions and estimates used in the underlying cost estimates; • assessing the independence, competence and objectivity of experts used by management; • challenging the completeness of provisions considering activities undertaken during the year; • confirming the closure and related rehabilitation dates are consistent with the latest estimates of life of mines; • comparing the inflation and discount rates to available market information; and • testing the mathematical accuracy of the rehabilitation provision model. We also assessed the adequacy of the disclosures included in Note 17 to the financial statements.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 48 to 68 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Liontown Resources Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

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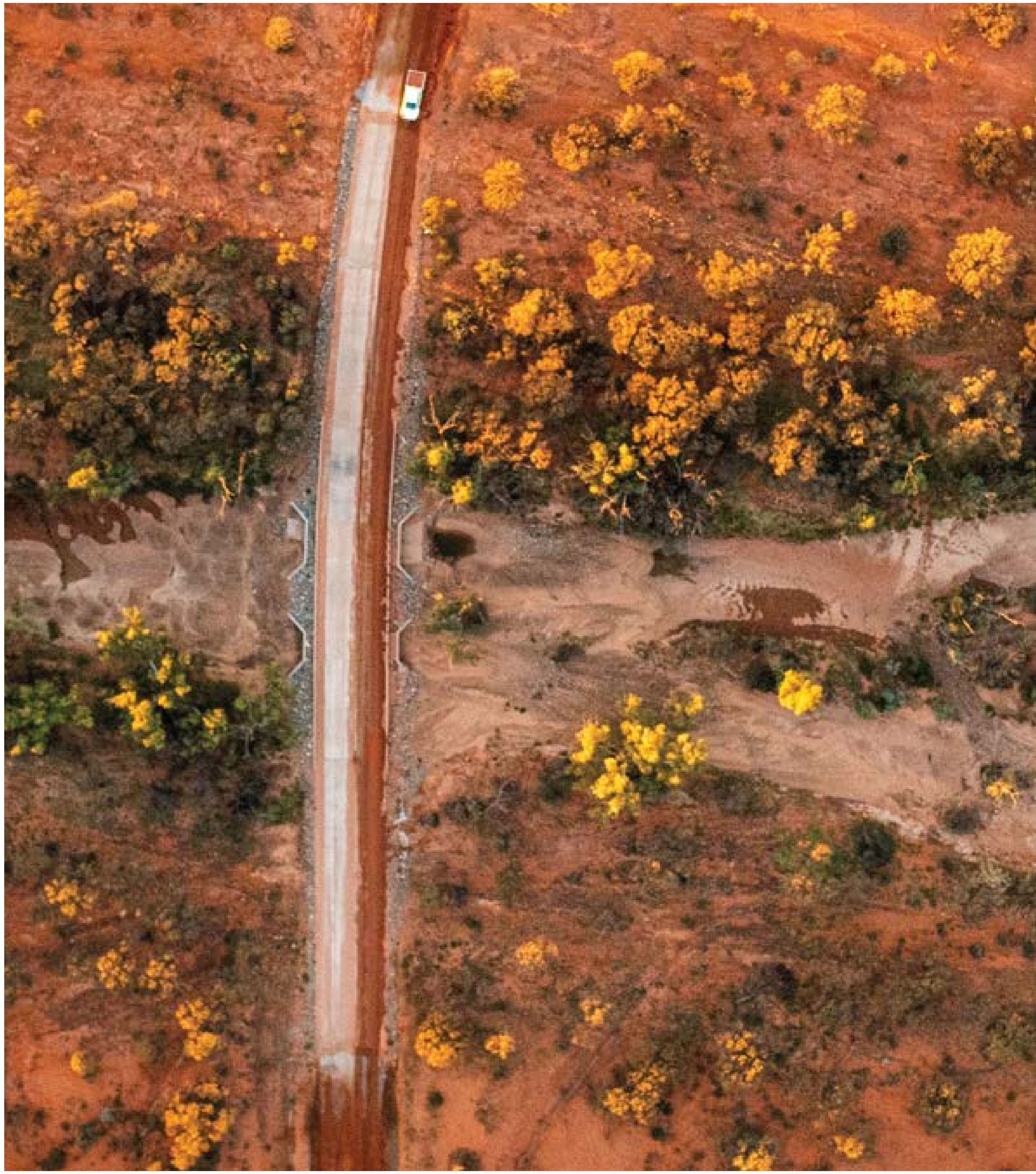
David Newman
Partner
Chartered Accountants
Perth, 27 September 2024



Ore Reserve and Mineral Resources Statement




The Company reviews and reports its Ore Reserves and Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to the Ore Reserves and Mineral Resource estimates for the Company's mining projects over the course of the year, the Company is required to report these changes.

Kathleen Valley Lithium Project

The Kathleen Valley Lithium Project Mineral Resource Estimate:

The Company reported its maiden Mineral Resource estimate for the Kathleen Valley Lithium Project in Western Australia on 4 September 2018. The Company has since announced updated Mineral Resource estimates for the Project on 9 July 2019, 11 May 2020, and 8 April 2021.

During the period, Liontown undertook grade control drilling to support the open pit and early underground operations. The data from this drilling and open pit mining that commenced in 2023 were incorporated into geological modelling and estimation work. The results after mining depletion confirmed that no material changes were required to the Mineral Resource estimate during the year ended 30 June 2024.

Mineral Resources are inclusive of Ore Reserves.

	As at 30 June 2023[1]			As at 30 June 2024[2]			% Difference		
	Million Tonnes	Li_2O %	Ta_2O_5 ppm	Million Tonnes	Li_2O %	Ta_2O_5 ppm	Tonnes	Li_2O %	Ta_2O_5 ppm
Measured – in situ	20	1.32	145	19	1.30	149	-	-	-
Measured – stockpiles	-	-	-	0.7	0.95	135	-	-	-
Total Measured	*20*	*1.32*	*145*	*19*	*1.29*	*149*	*-0.6%*	*-2.3%*	*2.7%*
Indicated	109	1.38	130	109	1.37	131	-0.1%	-0.8%	0.7%
Inferred	27	1.27	113	26	1.27	118	-1.4%	-0.5%	4.2%
Total	**156**	**1.35**	**129**	**155**	**1.34**	**131**	**-0.8%**	**-0.9%**	**1.4%**
Cut-off grade		0.55% Li_2O			0.4% Li_2O for open pit and 0.6% Li_2O underground (outside pit designs)				

1 Reported above a Li_2O cut-off grade of 0.55% which was commensurate with the cut-off grade determined during the 2021 Ore Reserve estimate.
2 Reported above Li_2O cut-off grades of 0.4% for open pit and 0.6% for underground material, which aligns with the operational activities of Kathleen Valley and the updated Ore Reserve estimate.
Figures have been depleted for mining activities for the relevant FY surfaces.
Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, which may cause inconsistencies in the totals.

The Kathleen Valley Lithium Project Ore Reserve:

The Company reported its Ore Reserve as part of the Definitive Feasibility Study released on 11 November 2021. At 30 June 2024 construction of the process plant was 99% complete. Liontown commenced mining of the Mt Mann and Kathleen Corner open pits during 2023 with ore being stockpiled on the ROM pad. During 2023, Liontown completed operational underground mine design and final open pit designs focusing on producing a low Fe_2O_3 flotation feed. Mining and processing costs have been updated to reflect current pricing. Pilot scale testwork and industrial scale demonstration has confirmed that ore sorting can be successfully used to recover a viable flotation feed from high Fe_2O_3 mineralisation. The results show that there is no material change to the Ore Reserve estimate.

Category/Class	2023			2024 Final			% Difference		
	Million Tonnes	Grade (Li_2O %)	Ta_2O_5 ppm	Million Tonnes	Grade (Li_2O %)	Ta_2O_5 ppm	Tonnes	Grade (Li_2O %)	Ta_2O_5 ppm
Stockpiles									
Proved				*0.6	0.98	110			
Open Pit									
Proved	-			3.1	1.26	189			
Probable	3.2	1.21	142	0.3	0.94	139			
Subtotal Open Pit	3.2	1.21	142	3.4	1.23	185	+6.3%	+1.6%	+30.3%
Subtotal open pit & stockpile	*3.2*	*1.21*	*142*	*4.0*	*1.19*	*173*	*+26%*	*-1%*	*+22%*
Underground									
Proved	-	-	-	-	-	-	-	-	-
Probable	65.4	1.34	119	65.2	1.34	120	-0.5%	-	+0.8%
Total	**68.5**	**1.34**	**120**	**69.2**	**1.34**	**123**	**+0.8%**	**-**	**+2.5%**

Tonnages and grades are diluted and reported at a Li_2O cut-off grade of 0.5% (open pit) and 0.7%-0.9% (underground). A marginal Li_2O cut-off grade of 0.4% has been used for underground development. The Ore Reserve is based on US$1,338/dmt (open pit) and US$1,446/dmt (long term underground) FOB SC6.0 pricing assumptions at an US$:A$ exchange rate of 0.72.
*Stockpiles figure excludes ore sort rejects.
Tonnages and grades have been rounded to reflect the uncertainty of the estimate, which may cause inconsistencies in the totals.

Buldania Lithium Project

The Anna Deposit, Buldania Project Mineral Resource estimate:

The Company reported its maiden Mineral Resource estimate for the Anna Deposit, Buldania Lithium Project in Western Australia on 8 November 2019. There was no change during the year ended 30 June 2024.

Resource Category	As at 30 June 2023			As at 30 June 2024[1]		
	Million Tonnes	Li_2O %	Ta_2O_5 ppm	Million Tonnes	Li_2O %	Ta_2O_5 ppm
Indicated	9.1	1.0	45	9.1	1.0	45
Inferred	5.9	1.0	42	5.9	1.0	42
Total	**15**	**1.0**	**44**	**15**	**1.0**	**44**

[1] Reported above a Li_2O cut-off grade of 0.5% for open pit potential.
Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate, which may cause inconsistencies in the totals.

Governance Arrangements and Internal Controls

The Company has ensured that the Ore Reserve and Mineral Resources quoted are subject to thorough governance arrangements and internal controls.

The Mineral Resource estimates for the Kathleen Valley and Buldania Projects were prepared by independent specialist resource and mining consulting group Snowden Optiro.

The Ore Reserve for the Kathleen Valley Project was prepared by independent mining consulting group Snowden Optiro with metallurgical and engineering input provided by Lycopodium, ALS Perth, Steinert Australia, and Liontown.

The Company's management carries out regular reviews and audits of internal processes and external consultants that have been engaged by the Company.

The Company confirms the following:

- The Ore Reserve and Mineral Resource statements above are based on and fairly represents information and supporting documentation prepared by a Competent Person or Persons.
- The Mineral Resource statement above has, as a whole, been approved by Mrs Christine Standing. Mrs Standing is an employee of Snowden Optiro and a Member of the Australian Institute of Geoscientists.
- Mrs Standing has provided prior written consent to the issue of the Mineral Resource statement in the form and context in which it appears in this annual report.
- Excluding the metallurgical and processing inputs, the Ore Reserve statement above has, as a whole, been approved by Mr Allan Earl. Mr Earl is a full-time employee of Snowden Optiro and a Fellow of the Australasian Institute of Mining and Metallurgy.
- Mr Earl has provided prior written consent to the issue of the Ore Reserve statement in the form and context in which it appears in this annual report.
- The metallurgical and processing inputs to the Ore Reserve statement has been approved by Mr Ian Rolley. Mr Rolley is a full-time employee of Liontown Resources Ltd and a Member of the Australasian Institute of Mining and Metallurgy.

Additional Information



Listing of tenements held in Australia (directly or beneficially).

Country	Project	Tenement No.	Registered Holder	Nature of interests
Austalia	Kathleen Valley	M36/264	LRL (Aust) Pty Ltd (wholly owned subsidiary of Liontown Resources Limited).	100% - nickel claw back rights retained by other party
		M36/265		
		M36/459		
		M36/460		
		E36/879	LRL (Aust) Pty Ltd	100%
		G36/52		
		L36/55		
		L36/106		
		L36/236		
		L36/237		
		L36/248		
		L36/250		
		L36/251		
		L36/255		
		L36/256		
		L36/261		
		L36/262		
		L36/263		
		L36/265		
		L36/266		
		L36/267		
		L36/268		
		L36/270		
		L36/278		
		L36/279		
		L36/280		
		L36/281		
		L36/282		
		L53/253		
		L53/254		
		L53/255		
		L53/256		
		M36/696		
		E36/1041	LRL (Aust) Pty Ltd	0% - pending application
		E36/1094		
		E36/1096		
		E53/2347		
		E53/2348		
		E53/2349		
		L36/264		
		L36/271		
		L36/272		
		L36/273		
		L36/274		

Country	Project	Tenement No.	Registered Holder	Nature of interests
Austalia	Kathleen Valley	L36/275	LRL (Aust) Pty Ltd	0% - pending application
		L36/276		
		L36/291		
		L53/272		
		L53/273		
		L53/274		
		L53/279		
		L53/282		
		L53/283		
		L53/285		
		L53/288		
		L53/289		
		L53/290		
		L53/309		
	Buldania	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
		M63/647		
		P63/1977		
		M63/676		0% - pending application
		E63/1660	Buldania Lithium Pty Ltd	100%
		E63/2369		
		E63/2267	LRL (Aust) Pty Ltd	0% - pending application
		E63/2268		
	Monjebup	E70/6042	LRL (Aust) Pty Ltd	100%
		E70/6043		
		E70/6044		

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report applicable as at 30 August 2024 is set out below.

Shareholdings

Substantial shareholders

Shareholder	Number of ordinary shares held[1]
Mrs Georgina Hope Rinehart and Hancock Prospecting Pty Ltd (HPPL) and subsidiaries of HPPL[2]	438,248,862
Mr Timothy Goyder[3]	335,699,175
State Street Corporation and subsidiaries	152,169,349
JPMorgan Chase & Co. and its affiliates	122,012,997

Notes:

1. This refers to the number of shares held by each substantial shareholder as disclosed to the Company in substantial holding notices by the shareholders as at 30 August 2024.
2. Ms Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust filed a substantial holder notice on 13 October 2023 in respect of the 438,248,862 shares which were the subject of the substantial holding notice lodged by Mrs Rinehart, HPPL and subsidiaries of HPPL on 11 October 2023 on the basis that a relevant interest arises by virtue of the operation of section 608(3)(a) of the Corporations Act.
3. The number of shares held by Mr Timothy Goyder and his associates includes 329,678,766 shares in accordance with the substantial holder notice dated 25 October 2023 and an additional 6,020,409 shares acquired by Mr Goyder following participation in the 2023 placement and share purchase plan.

Issued Capital

Share capital comprised 2,425,004,880 fully paid ordinary shares of the Company and the Company had 37,698 holders of fully paid ordinary shares.

Unquoted securities

Unlisted Security [1]	Total in Class	Number of Holders
Options (expiring 23 November 2024)	500,000	1
Performance rights (expiring 31 March 2025)	943,717	66
Performance rights (expiring 30 June 2025)	2,512,441	4
Performance rights (expiring 30 June 2025)	394,187	3
Performance rights (expiring 30 June 2026)[2]	429,337	8
Performance rights (expiring 30 June 2027)	3,253,722	8
Performance rights (expiring 30 June 2028)[3]	2,533,236	12
Convertible Notes[4]	250,000,000	1

Notes:

1. All options and performance rights listed above were issued under an employee incentive scheme
2. During the year, 184,203 Performance Rights (expiring 30 June 2026) were issued under the employee incentive scheme following approval under Listing Rule 10.14.
3. During the year, 930,039 Performance Rights (expiring 30 June 2028) were issued under the employee incentive scheme following approval under Listing Rule 10.14.
4. 100% of the Convertible Notes on issue as at 30 August 2024 are held by LG Energy Solution Ltd.

Voting Rights

The voting rights to the ordinary shares set out in the Company's Constitution are:

"Subject to any rights or restrictions for the time being attached to any class or Classes of shares -

(a) at meetings of members or classes of members each member entitled to vote in person or by proxy or attorney; and

(b) on a show of hands every person who is a member has one vote and on a poll every person in person or by proxy or attorney has one vote for each ordinary share held."

Holders of options, performance rights and convertible notes do not have voting rights.

Distribution of equity security holders

	Ordinary Shares		Unlisted Share Options		Performance Rights		Convertible Notes	
Size of Holding	No. Holders	% Held	No. Holders	% Held	No. Holders	% Held	No. Holders	% Held
1 – 1,000	11,033	0.26	-	-	-	-	-	-
1,001 – 5,000	12,322	1.36	-	-	44	1.09	-	-
5,001 – 10,000	4,964	1.58	-	-	-	-	-	-
10,001 – 100,000	7,779	10.35	-	-	34	14.31	-	-
100,001 and over	1,600	86.45	1	100	23	84.60	1	100.00
Total	**37,698**	**100.00**	**3**	**100**	**101**	**100.00**	**1**	**100.00**

Marketable Parcel

The number of shareholders holding less than a marketable parcel was 7,246.

Twenty largest ordinary fully paid shareholders

Name	Number of ordinary shares held	Percentage of capital held %
Mr Timothy Rupert Barr Goyder	335,699,175	13.84
Zero Nominees Pty Ltd	294,288,123	12.14
HSBC Custody Nominees (Australia) Limited	276,107,641	11.39
BNP Paribas Nominees Pty Ltd <Clearstream>	93,272,355	3.85
Citicorp Nominees Pty Limited	80,548,811	3.32
J P Morgan Nominees Australia Pty Limited	76,665,430	3.16
Clement Pty Ltd <D&M Goyder Family S/Fund A/C>	32,850,000	1.35
GKCF Super Pty Ltd <Graham Kluck Drilli S/F A/C>	29,405,998	1.21
The Universal Zone Pty Ltd <Kluck Property A/C>	26,290,000	1.08
HSBC Custody Nominees (Australia) Limited - A/C 2	25,500,920	1.05
Anisimoff Super Fund Pty Limited <Anisimoff Super Fund A/C>	18,855,263	0.78
BNP Paribas Noms Pty Ltd	14,856,701	0.61
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	11,805,857	0.49
National Nominees Limited	11,302,446	0.47
Mrs Elizabeth Jane Soderholm + Mr Thomas Egan Soderholm	10,939,322	0.45
Double Eagle Pty Ltd	10,324,882	0.43
Gremlyn Pty Ltd <Gianel Family A/C>	10,020,409	0.41
Kenma Investment Advisors Pty Limited <Kenma Super Fund A/C>	9,645,000	0.40
Mr Anthony Cipriano	9,300,000	0.38
Soderholme Co Pty Ltd <Soderholm Super Fund A/C>	9,187,439	0.38
Total Top 20	**1,386,865,772**	**57.19**
Others	1,038,139,108	42.81
Total	**2,425,004,880**	**100.00**

Restricted Securities

There are no restricted ordinary shares on issue.

On-Market Buy-Back

There are no current on-market buy-back of securities.

Corporate Governance Statement

Liontown has adopted a Corporate Governance Manual which forms the basis of a comprehensive system of control and accountability for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

In establishing the Company's corporate governance framework, to the extent they are applicable to the Company, the Board has referred to the recommendations set out in the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition'.

The Company's Corporate Governance Statement 2024, which explains how Liontown complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the year ended 30 June 2024, is available in the Corporate Governance section of the Company's website, www.ltresources.com.au/about/corporate-governance and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

Competent Person Statement

The Information in this Report that relates to Mineral Resources for the Kathleen Valley Project is extracted from the ASX announcement "Strong progress with Kathleen Valley Definitive Feasibility Study as ongoing work identifies further key project enhancements" released on 8 April 2021 which is available on www.ltresources.com.au and as updated in the "Ore Reserve and Mineral Resources Statement" contained within this report at www.ltresources.com.au. The Company confirms that it is not aware of any other 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 in the relevant market announcement 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.

The Information in this Report that relates to Mineral Resources for the Buldania Project is extracted from the ASX announcement "Liontown announces maiden Mineral Resource Estimate for its 100%-owned Buldania Lithium Project, WA" released on 8 November 2019 which is available on www.ltresources.com.au. The Company confirms that it is not aware of any other new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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.

ASX 300/ASX 200/ASX 100
A stock market index that measures the performance of the top 300/200/100 companies listed on the Australian Securities Exchange

Australian Securities Exchange (ASX)
An Australian public company that operates Australia's primary securities exchange

CEO
Chief Executive Officer

CY
Calendar Year

Competent Person
A minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation', as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes, including the powers to suspend or expel a member.

A Competent Person must have a minimum of five years' relevant experience in the style of mineralisation or type of deposit under consideration and in the activity that the person is undertaking (JORC Code)

Definitive Feasibility Study (DFS)
A feasibility study undertaken to a high degree of accuracy (+15%) which may be used as a basis for raising finance for the construction of a project

Downstream Scoping Study (DSS)
A desktop feasibility study undertaken to a relatively low degree of accuracy (+35%) which may be used as a basis for further studies and test work on downstream processing of lithium concentrate

EGM
Extraordinary General Meeting

Energy Storage System (ESS)
a technology or infrastructure designed to capture and store energy for later use. It allows for the retention of excess energy produced during periods of low demand or high generation and then release it when demand exceeds supply or generation is low. Common types of energy storage systems include batteries (like lithium-ion)

ESG
Environmental, Social and Governance

EV
Electric vehicle

FID
Financial investment decision

FY
Financial year

GHG
Greenhouse gas

Greenfield
An undeveloped site

GRI
Global Reporting Initiative

IEA
International Energy Agency

Inferred Mineral Resource
That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity (JORC Code)

JORC
Joint Ore Reserves Committee comprising representatives of The Australasian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Geoscientists (AIG) and Minerals Council of Australia (MCA) as well as the Australian Securities Exchange (ASX), the Financial Services Institute of Australasia (FinSIA) and the accounting profession

JORC Code
The Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition prepared by the JORC

KPI
Key Performance Indicator

Li_2O
Lithium oxide

Lithium
Lithium is the lightest of all the solid metals. It is highly combustible and reactive, and it readily bonds with other metals. Lithium has an exceptional ability to conduct electricity, making it a preferred component for batteries

Lithium hydroxide
Lithium hydroxide monohydrate is a refined lithium product used in the production of cathode material for lithium-ion electric vehicle batteries

Lost Time Injury Frequency Rate (LTIFR)
The number of lost-time injuries within a given accounting period, relative to the total number of hours worked in that period

Medically Treated Injury Frequency Rate (MTIFR)
Work related injuries that require medical treatment

Native Title Agreement (NTA)
Native title is the designation given to the common law doctrine of Aboriginal title in Australia, which is the recognition by Australian law that Indigenous Australians (both Aboriginal Australian and Torres Strait Islander people) have rights and interests to their land that derive from their traditional laws and customs

Net-zero emissions
Achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere

Offtake agreement
A contract between the producer of a resource and a buyer of the resource, who is known as the offtaker, to sell and purchase all or substantially all of the future production from the project

Open-cut mining
A surface mining technique of extracting rock or minerals from the earth from an open-air

Ore Reserve
The parts of a mineral resource that can be economically mined

Pastefill
A method developed to fill the mined out voids underground and to stabilise ground support

Pre-Feasibility Study (PFS)
A preparatory study required to enable funders to undertake a successful feasibility study for a particular investment opportunity

Run-of-Mine (ROM) pad
Area designated for storage/stockpiling of ore received from the mine prior to processing

SAG Mill
Semi-Autogenous Grinding (SAG) Mill used for grinding large fragments into small pieces which are then used for further processing

SASB
Sustainability Accounting Standards Board

SC6.0
Spodumene concentrate is a high-purity lithium ore with approximately 6 percent lithium content being produced as a raw material for the subsequent production of lithium-ion batteries for electric vehicles

Scope 1 GHG emissions
Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organisation (e.g. on-site fossil fuel combustion and fleet fuel consumption)

Scope 2 GHG emissions
Indirect emissions from sources that are owned or controlled by an organisation (e.g. emissions that result from the generation of electricity, heat or steam purchased by the organisation from a utility provider)

Scope 3 GHG emissions
Indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business. (e.g. employee travel; emissions associated with contracted solid waste disposal and wastewater treatment)

Scoping Study
An initial appraisal carried out early in the life of a resource project. They are based on initial drilling and informed assumptions, and commonly include an elementary mine plan

SDG
Sustainable Development Goals

Spodumene
A pyroxene mineral consisting of lithium aluminium inosilicate and is a source of lithium

Ta_2O_5
Tantalum pentoxide

Tailings Storage Facility
A structure built for the purposes of storing the uneconomical ore and water from the mining process

Tenement
Collective mining rights that include prospecting licences, exploration licences, retention licences and mining leases

Tier-1
Tier 1 deposits are company-making mines and are large, long life and low cost with NPV at the Decision-to-Build stage of >$1000m (in 2013 US Dollars - Source: MinEx Consulting © October 2019)

TRIFR
Total recorded injury frequency rate

TSF
Tailings storage facility

US
United States

WA
Western Australia

Directors

Timothy R B Goyder
Chair

Antonino Ottaviano
Managing Director/CEO

Ian Wells
Lead Independent Non-Executive Director

Jennifer Morris
Independent Non-Executive Director

Shane McLeay
Independent Non-Executive Director

Adrienne Parker
Independent Non-Executive Director

Company Secretary

Clint McGhie

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Perth WA 6000

Solicitor

Allens
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5 Spring Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000
Tel: 1300 557 010

ASX Share Code

LTR

Printed copies of this Annual Report will only be posted to shareholders who have requested a printed copy. Shareholders who have elected to receive communications electronically are notified when the Annual Report becomes available and given details of where to access it electronically.

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