Liontown Resources Limited
ABN 39 118 153 825
For the year ended 30 June 2023

FY23 ANNUAL REPORT

Liontown Resources is an ASX100 company with a vision to be a globally significant provider of battery minerals as the world transitions to a low-carbon future.

Welcome to our summary of operations, activities, performance and financial reporting for the year ended 30 June 2023. 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 2023. All references to 'Liontown Resources', 'Liontown', 'the Company', '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 2023, 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.

Contents

Liontown is an emerging Tier-1 battery minerals producer

We are an ASX100 company with a focus on battery minerals. We aim to be an ESG leader in the Australian resources sector and a significant provider of battery minerals for the rapidly growing world clean energy market.

Our Vision

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

Our Strategy

To find and develop 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

Developing integrated operations will allow us to capture higher margins and create new supply chains.

Liontown Full Potential

As we grow, we will expand our portfolio through organic growth, value accretive M&A, and exposure to the circular economy.

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

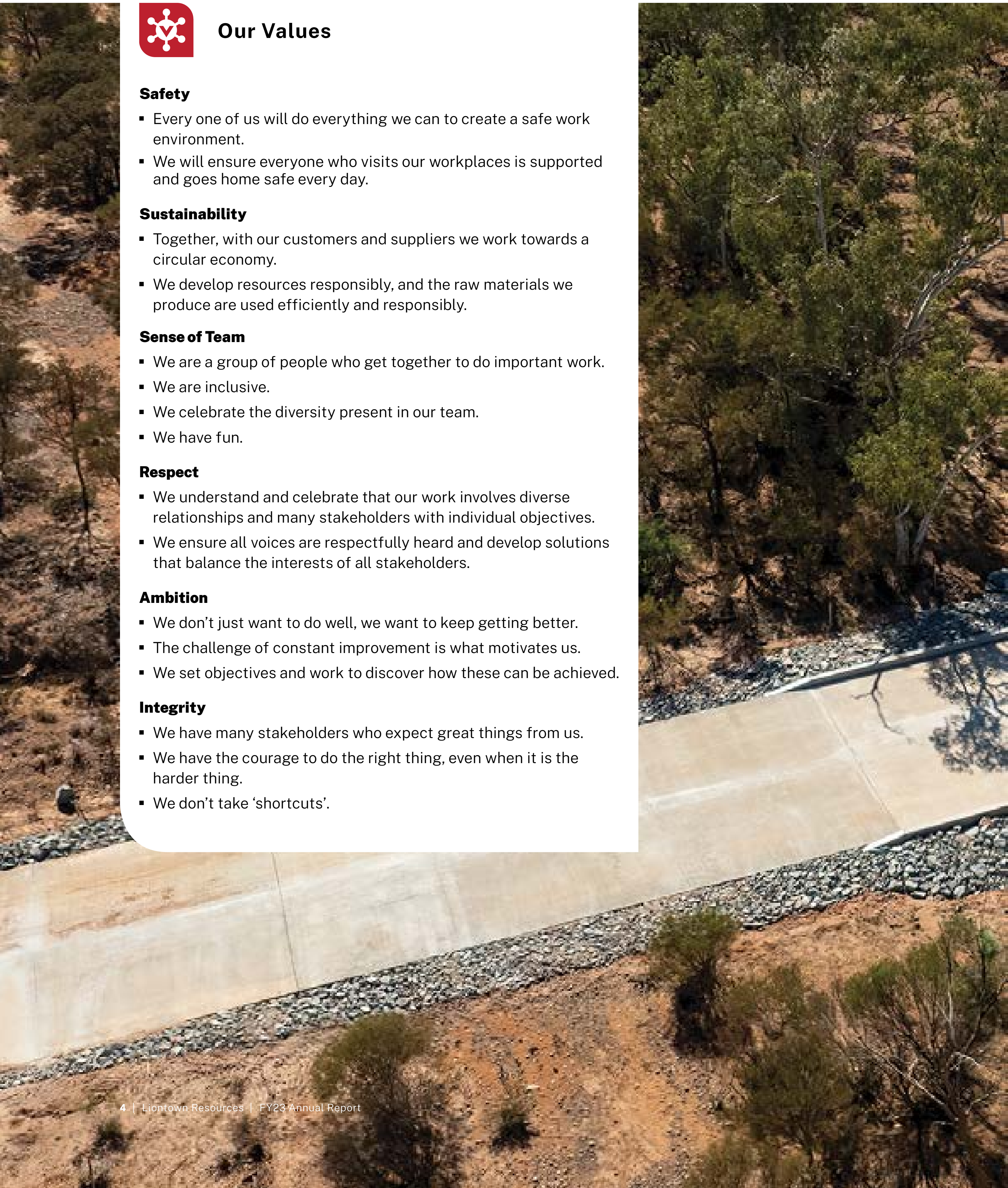
- The materials we produce are a critical input to global decarbonisation.
- It is our responsibility to produce them with the lowest possible carbon footprint and manage the environmental impact at every stage.

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.



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'.

Tim Goyder
Chairman

On behalf of the Board, it gives me great pleasure to present the Annual Report for the 22/23 Financial Year

It has been another extraordinary year for Liontown. Your Company is well advanced with the development of its flagship asset, the Kathleen Valley Lithium Project in Western Australia. The pace at which this project is progressing is impressive and it has been exciting for me to witness, as I'm sure it has been for many of you.

In the 12 months to the end of June, our share price experienced a rise of nearly 170 percent, which made us the top performing stock in the benchmark S&P/ASX 200 Index for the 12-month period. A key catalyst behind the share price performance was the outside interest in the exceptional quality of our Tier-1 asset at Kathleen Valley, including from global lithium sector leader Albemarle Corporation. The interest from such a well-regarded, international company is a testament to what the Liontown team has achieved to date.

As you will be aware, your Board rejected Albemarle's initial indicative proposals, determining that they undervalued Liontown and, therefore, were not in the best interest of shareholders. In September 2023 however, Albemarle tabled another proposal. After carefully considering the revised non-binding and conditional proposal, the 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.

Should Albemarle make a binding proposal at $3.00 per Liontown share, subject to agreement of a mutually acceptable binding scheme implementation agreement, it is the Board's intention to unanimously recommend shareholders vote in favour of the proposal in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is in the best interests of shareholders.

Kathleen Valley stands out as a strategic asset in the global lithium market

As has become more apparent during the past 12 months, our Kathleen Valley Project carries immense strategic value as a genuine Tier-1, hard-rock lithium deposit. Already in development and nearing production in an established, mining-friendly jurisdiction, there are precious few lithium assets like it around the world.

The global interest in our flagship Project, and the lithium thematic more broadly, were reinforced to me firsthand on a visit to the United States in February this year. We were fortunate to visit the electric vehicle factories of our major customers, Tesla and Ford, and to meet with highly engaged investors and US government policy makers – all working collectively to drive forward the massive expansion of global battery supply chains.

Toward the end of financial year, lithium prices stabilised from record highs in the 2022 calendar year and the lows experienced early in 2023. The fluctuation in pricing we've seen throughout the year was largely driven by China as they curbed electric vehicle subsidies, applied heavy discounts to internal combustion engine vehicles and the Chinese lithium chemicals industry went through a period of de-stocking.

During the financial year, the average price for spodumene concentrate, the product that Kathleen Valley will produce, was US$6,482 per tonne, however it finished the year at a 12-month low of US$3,750 per tonne. Despite this short-term softness, the consensus is that we are entering an extended period of elevated pricing for lithium products as demand from the clean energy sector continues to grow and supply deficits widen.

Ensuring diversity in our workplace is high on our agenda and in 2022 we set ourselves a target of achieving 30 percent female composition on our Board by June 2024. I am pleased to report that, as at the end of this financial year, our Board composition had increased to 29 percent female representation with the appointment of Adrienne Parker as an independent Non-Executive Director in October 2022. We believe we are doing well for the maturity of our company but know that there is room for improvement. We have initiatives in place to ensure that, as we grow, we increase our diversity at all levels of our company.

We were delighted that Craig Williams continued as a Non-Executive Director after initially contemplating retirement last year. Craig is a founding Director of Liontown and we are grateful for his wise counsel and contribution, particularly as we entered the construction phase of Kathleen Valley.

> Our business is built on the premise of helping the world transition to a low-carbon future

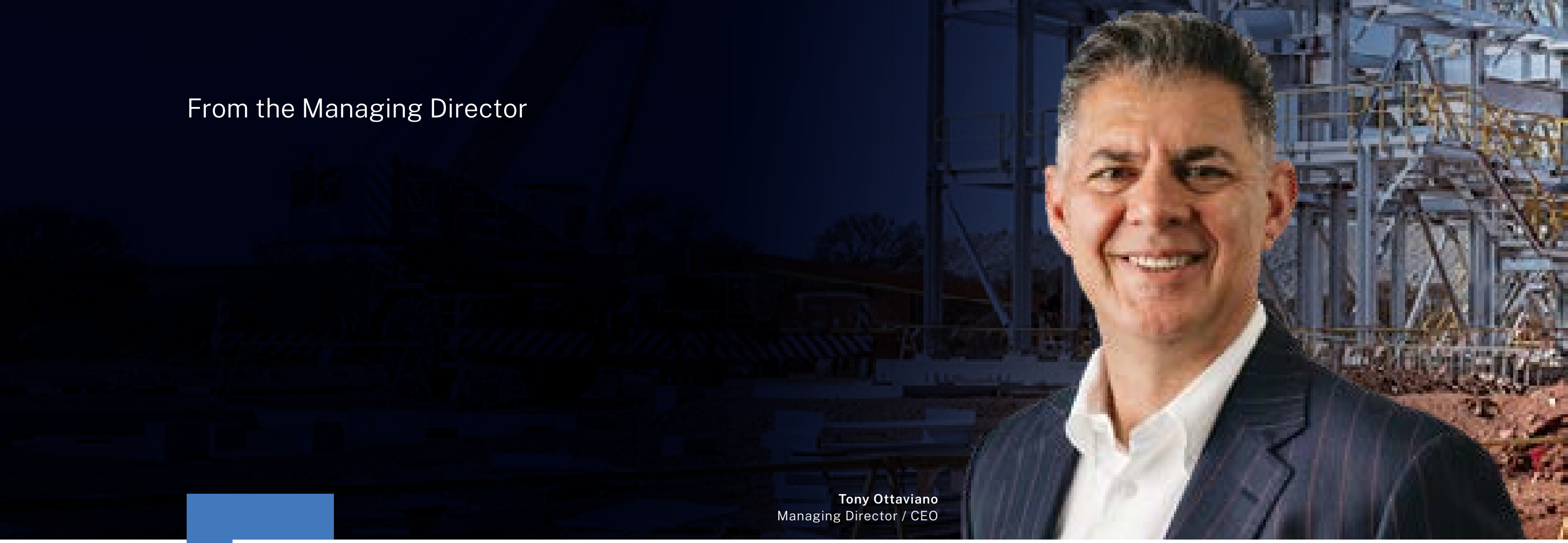
Environmental, Social and Governance (ESG) is a vital part of our Company and, as we entered the next phase of our growth this financial year, we established a Sustainability and Risk Committee at Board level to oversee our risk management framework and sustainability practices. This committee, chaired by Independent Non-Executive Director, Adrienne Parker, serves as a cornerstone for proactive decision-making, as it not only bolsters our commitment to ethical and environmental responsibility but also mitigates potential risks that could impact our long-term viability. Elevating these critical matters to the board level will ensure that sustainability and risk considerations are seamlessly integrated into our core strategies and business management.

During the year, much of the focus has been the construction of Kathleen Valley, which continues to progress to schedule. Led by Managing Director, Tony Ottaviano and the broader management team, our employees and contractors have done a magnificent job delivering the project safely and to an exacting standard. A significant amount of effort has also been invested in developing systems and processes to bolster our data security, ensure transparency of our financial data throughout the company, and establish the necessary policies and procedures for effective governance.

Being part of the growth of our company this year has been very exciting but also humbling. I would like to thank my fellow Directors for their support and expert guidance during the past 12 months, the executive team and all of our employees, contractors, consultants and advisers for their incredible effort in keeping up the momentum as Kathleen Valley heads towards first production in mid-2024.

I reserve a special debt of gratitude to Liontown shareholders, both new and longstanding. Nothing gives me more pleasure than seeing you participate in our success and reap the rewards.

Chair
Tim Goyder



Tony Ottaviano
Managing Director / CEO

Paving the way for a greener future

This year has been a fundamentally transformative year for Liontown. We are firmly on track to become a world-class battery materials business and a meaningful contributor to the global push towards a lower-carbon future from the middle of next year, which is when our Kathleen Valley Lithium Project is scheduled to produce its first batch of spodumene concentrate.

During the past 12 months, we have made great strides towards meeting that first production date target and we remain in an excellent position to start supplying product to our three Tier-1 foundation customers as anticipated. We note that the proposal put forward by Albemarle in September 2023 and how that progresses will have a bearing on whether Liontown remains an independent company but our number one goal remains – to deliver our Kathleen Valley Project safely and on schedule.

At the same time, we have been building a high-performing team committed to working together safely, continuously improving how we work and building a culture where everyone feels respected and protected. Given the important role contractors play in delivering the Kathleen Valley Project, this year we incorporated contractor safety training into our work programme.

Pleasingly, we have not recorded any lost time injuries during the year. Such is the increase in the level of activity onsite as we ramped up construction, not long after the end of the financial year, we exceeded one million man-hours onsite. I commend the team for putting the safety of themselves and their colleagues first to achieve this milestone safely.

As we bring the Kathleen Valley Project into production mid next year, our focus shifts to being "ready" for production. Our operations and business readiness programmes are underway with key workstreams such as recruiting, which is ramping up as we move into operations, onboarding is now well entrenched, our website and social media channels are well established to share our news and career opportunities, our enterprise system deployment commenced, and we have evolved our operational processes so we can be efficient and effective as we transition into operations. When this good planning meets good execution, we will deliver our commitments to our customers and stakeholders in a timely manner. It will also set the tone for our culture, where every day our teams bring new ideas and new ways of improving everything we do, with our leadership setting the standard.

The many project-level highlights we achieved during the reporting period are detailed in this report, but a few standouts are:

- Receiving approval for the Kathleen Valley Mining Proposal and Works Approval from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) in September 2022, which paved the way for site works to begin in October 2022. It is symbolic and meaningful that on receipt of these approvals a business co-founded by the Chair of Tjiwarl Aboriginal Corporation, Bundarra Contracting, cleared the first land;
- Mining activity commencing with the first blast at Mt Mann pit on 31 January. By the end of June,

2.37 million Bulk Cubic Metres (BCM) of ore and waste rock had been moved, supporting the development of production stockpiles and the construction of the Run-of-Mine (ROM) pad and Tailings Storage Facility (TSF);

- Changes to the mine plan presented the opportunity of liberating additional material outside the Ore Reserve as potential Direct Shipping Ore (DSO) material;
- Substantive progress on process plant construction and, by the end of the financial year, more than 50 per cent of concrete had been poured and structural steel erection was well underway on the dry plant, secondary screening and grinding areas;
- Completion of the concentrate storage facility ahead of when required, which is being used to store critical long-lead items that were delivered to site ahead of schedule; and
- Development of Kathleen Valley's Hybrid Power Station commenced, with the majority of the 31,000 solar panels delivered to site, along with construction of the wind turbine access road and the gas generation facility underground conduits nearing completion. A successful trial assembly of the 1000-tonne crane required to erect the wind turbine was also undertaken in Perth.

By the end of FY23, $556 million, approximately 62 percent of forecast project expenditure, had been committed.

Remaining funding at 30 June 2023 was $485.8 million, comprising approximately $304.5 million in existing cash reserves and $181.3 million remaining undrawn under the Ford debt facility. By the end of the financial year, we were well advanced on a range of further funding options to deliver the project into production.

Subsequent to the end of the financial year, we awarded our spodumene and DSO material haulage contract to Qube Holdings, a Letter of Award for the underground mining services contract to Byrnecut Australia and the Structural, Mechanical Piping (SMP) and Electrical and Instrumentation (E&I) contract to Monadelphous Group Limited.

The underground mining contract is the single largest contract for the Kathleen Valley Project, with a value of approximately $1 billion over four years. It was critical that we appoint a Tier-1 group in Byrnecut with extensive underground experience and the requisite balance sheet strength and workforce.

With the finalisation of the underground contract, we will have a better understanding of operating cost estimates and working capital requirements. This will allow us to proceed with finalising the funding arrangements that will see us through to commercial production. We have several highly attractive options for further capital and, subsequent to the end of the financial year, announced indicative support for up to $300 million finance by Export Finance Australia, US EXIM Bank and South Korea's K-Sure and significant interest from commercial banks. While non-binding and conditional, the joint support from these export credit agencies provides Liontown with a strong foundation as it advances all funding options to conclusion.

Our business is built on the global transition to a low-carbon future

At the same time as we announced the support of the export credit agencies, we announced a downstream processing partnership with Japan's Sumitomo, a world-leading industrial conglomerate. This partnership will include studying the feasibility of building a lithium sulphate plant in Western Australia that would supply a lithium hydroxide finishing plant in Japan.

Our aim is to be at the forefront in the transition to a low-carbon future while being mindful of environmental and social concerns, and to take proactive measures. We are dedicated to fostering positive social interactions, especially with the Traditional Owners of the land on which we work. Additionally, we are committed to implementing policies that prioritise the health, safety and overall welfare of all who are connected to our operations.

The relationship we have developed with the Tjiwarl, which is built on open dialogue and meaningful ongoing consultation, is a significant point of pride for our company and me personally. In my opinion, it is also a positive example for the broader industry.

During this financial year, we defined our ESG governance framework, focusing on areas that are material to Liontown and our stakeholders. We established this framework at this early stage of our company's development, not because it is increasingly expected, but because it reflects our values and our strong overall commitment to doing the right thing for the right reasons from the outset.

Our employees are at the heart of our success and building a vibrant people and culture is key

The physical signs of progress are there for all to see at Kathleen Valley. Not so obvious has been the progress in building a culture our stakeholders can be proud of.

When I took on the role of Managing Director for Liontown, much of the appeal was that I was inheriting a clean slate. Liontown was a junior explorer with a handful of employees, a couple of quality lithium assets and a bright future. The opportunity was not just to build a mine, but to build a modern, progressive mining company, drawing on all I've learnt from a long career in the industry.

During the past year, we have laid the foundation to create an inclusive, diverse and innovative workplace. While there remains significant work ahead in advancing our company, the strides we've taken in enhancing business readiness, refining systems and processes, embracing cutting-edge technology, and nurturing our workforce and organisational culture have established a robust platform from which to grow.

By putting the fundamentals in place, we are attracting a diverse workforce across our company. By the end of the financial year, our workforce comprised 31 percent female, though we know there is more work to be done. During this past financial year, we developed a gender diversity roadmap, which includes a strategy to target female leaders. Our current state is not our final state and, as we move towards operational readiness, we will seek to increase our diversity across teams at all levels of our company.

Although we have seen some volatility at a macro level in global financial and commodity markets, the underlying fundamentals and long-term outlook for lithium remain sound. Liontown is in an enviable position, with a Tier-1 hard rock lithium asset under development and close to production in one of the best mining jurisdictions in the world. We have a clear strategy with growth options in Buldania, a forward exploration programme and a downstream strategy underway to explore the potential of unlocking further value to develop both Kathleen Valley and Liontown to their full potential.

I thank the Board for their guidance and support during the year and our incredible team who work tirelessly every day to keep us on track.

To our investors, thank you wholeheartedly for your support. It's an exciting time to be at Liontown and we remain focused on delivering our flagship project mid next year and creating value for all our stakeholders.

Tony Ottaviano
Managing Director / CEO

LTIFR:
0.00
Lost time injury frequency rate

Employee growth:
273%

October 2022
Mining Proposal & Works Approval received

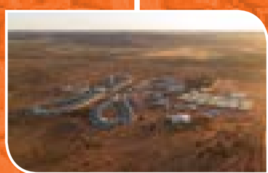
Early earth works commenced

July 2022
EPCM contract awarded

September 2022
Hybrid Power Station contract awarded

December 2022
Accommodation village welcomes first residents

Process plant construction commenced



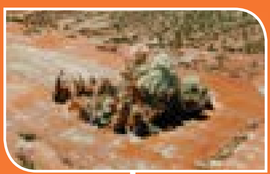
Share Price Growth:

170%

Compound annual growth rate (CAGR)

Capital Expenditure:

$311m



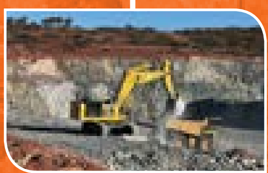
January 2023

Plant capacity 20% increase announced

First blast at Mt Mann

February 2023

Open pit mining commences



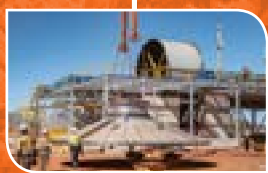
April 2023

90m communications mast erected

May 2023

Direct Shipping Ore (DSO) material samples sent to potential customers

SAG Mill, longest lead item arrives on site ahead of schedule



June 2023

Process plant structural steel erection commenced

Concentrate storage shed completed

450+ people onsite

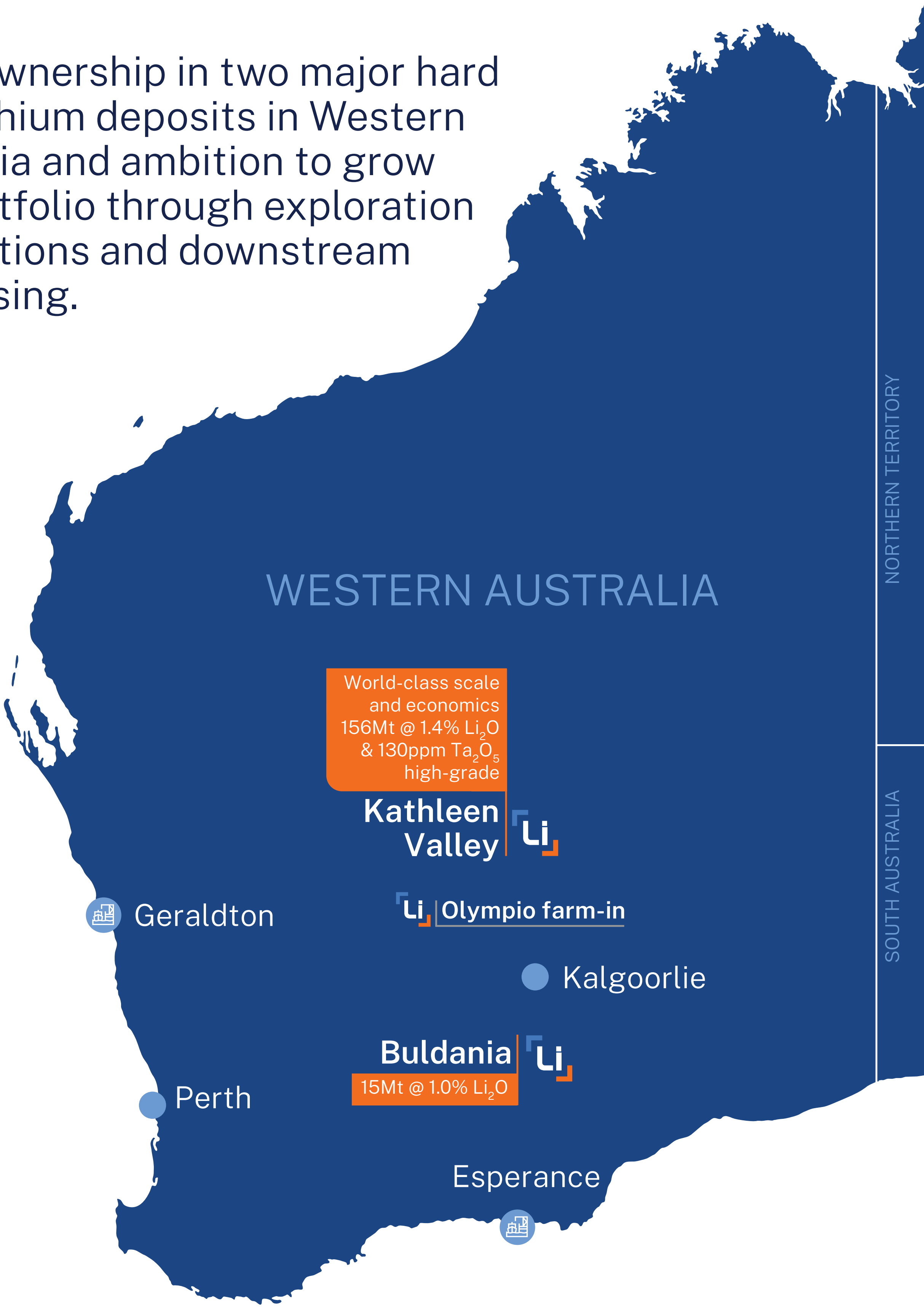
The products we will produce are vital in the transition to a low-carbon future.

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

- Our project at Kathleen Valley in the northern Goldfields is a Tier-1 battery metals asset, which will be one of the world's largest lithium mines when it comes into production in mid-2024.
- Buldania is a highly prospective lithium project located south of Kalgoorlie in the eastern Goldfields. Our active drilling program has confirmed a mineral resource estimate of 15 million tonnes of 1.0% Lithium oxide (Li_2O).

Key market sectors where our products will play an important role include the automotive industry, renewable energy and battery manufacture. Liontown's offtake strategy for Kathleen Valley was to target Tier-1 customers diversified by geography and position on the battery value chain.

100% ownership in two major hard rock lithium deposits in Western Australia and ambition to grow our portfolio through exploration acquisitions and downstream processing.



Operational Review

The year of the fast charge

On 30 June 2022 the Final Investment Decision (FID) for the development of Liontown's Kathleen Valley lithium mine was announced – an appropriate way to close out the 21/22 Financial Year. With the commencement of FY23, the Liontown team hit the ground running with the Mining Proposal and Works Approval received within three months of FID approval and construction works commenced immediately.

During the past 12 months, we have achieved an impressive array of firsts in our transition from explorer to mining company:

- Construction of our greenfields mining facility in Kathleen Valley progressed at pace:
  - Open pit mining operations commenced in January 2023, with over 2.3 million BCM of Total Material Movement (TMM) in the first six months of operation. Ore is being stockpiled as both future mill feedstock and DSO material, with waste rock being used to build both the Run of Mine (ROM) pad and the Tailings Storage Facility (TSF)
  - More than 50 percent of concrete poured as part of the process plant construction
  - More than 600 rooms of the accommodation village completed and available for our onsite construction and operations teams
  - Construction commenced on one of Australia's largest off-grid wind-solar-battery hybrid power stations
- The underground mining contract and the Wet/ Dry plant Structural Mechanical Piping (SMP) packages put out to tender
- Concentrate transport package put out to tender
- DSO samples sent to potential customers
- At Buldania, further drilling was and a metallurgical test work programme was initiated, initial environmental studies and surface water management review commenced.

Importantly, we are also building a company. During the financial year, our employee numbers grew by 273 percent, increasing to more than 130 employees. This is in addition to the more than 450 contractors and subcontractors on site at Kathleen Valley. Through the construction period and steady state operations, Kathleen Valley will deliver approximately 1,000 full time equivalent jobs to the Western Australian economy.

In addition, Liontown's commitment to ESG leadership is already being proven:

- Construction of the 95MW renewable hybrid power station is progressing to schedule and is on track to achieve the company's goal of deriving a minimum of 60 percent power from renewable sources
- Multiple contracts have been awarded to companies operated by Traditional Owners of the land Kathleen Valley occupies, the Tjiwarl, and we are assisting those contractors in developing sustainable businesses.

The level of achievement across every area of the business has been immense. The speed with which our transition from explorer to mining operator has been advancing is a testament to the tenacity and teamwork of a large and growing group of people. The fact that we have been able to meet our ESG commitments at every stage demonstrates that Liontown is at the forefront of an epochal change in the Australian mining industry.

The Lithium Market

The lithium market is evolving at an incredible pace which has rarely been seen before. Product quality requirements, production line qualification and continued development of vertical partnerships are all part of the landscape. The increasing demand will require several supply chains to develop in perfect unison, which will not be without its challenges, but does create opportunities. High prices and product shortages have made DSO a viable proposition for emerging spodumene producers as a way of creating early cash flow ahead of spodumene concentrate production.[1]

Electrification leading the way

Lithium demand continues to be driven predominantly by demand from electric vehicles. Despite supply chain disruptions, macro-economic and geopolitical uncertainty, and high commodity and energy prices, electric car sales saw another record year in 2022. This growth took place in the context of globally contracting car markets, which dropped 3 percent compared to 2021. [2]

During 2022, the share of electric cars in total car sales was 14 percent, an increase from nine percent in 2021 and less than five percent in 2020. National policies and incentives will help bolster sales, while a return to the exceptionally high oil prices seen in 2022 could further motivate prospective buyers. The increase in electric car sales varies across regions but remains dominated by China. China accounted for nearly 60 percent of all new electric car registrations globally and, for the first time in 2022, also accounted for 50 percent of all electric cars on the world's roads. While there is an anticipation of robust year-over-year growth in electric vehicle demand in China, projected to be around 30 percent, concerns about the overall health of the domestic economy persist.[3]

[1] *Wood Mackenzie, Global lithium investment horizon outlook to 2032 (update), December 2022*

[2] *International Energy Agency Global EV Outlook 2023*

[3] *International Energy Agency Global EV Outlook 2023*

During 2022, the stationary storage sector has notably exceeded expectations in terms of demand growth, with a predicted doubling of growth year-on-year, and an average annual growth rate of around 23 percent, until 2030.[4]

Overall, the global trend toward electrification remains strong, with electric vehicle and stationary storage markets exhibiting consistent year-on-year growth. This shift toward electrification fundamentally drives substantial demand for lithium, with market expectations pointing toward a fivefold increase in demand from 2021 to 2030.[5]

A year of ebbs and flows for pricing

Toward the end of FY23, lithium prices stabilised from record highs in the 2022 calendar year and the lows experienced early in 2023. During the year to June 2023, the average price for battery-grade lithium carbonate was approximately US$64.8 per kilogram.[6] The average price for battery-grade lithium hydroxide was approximately US$70.2 per kilogram.[7]

Spodumene concentrate, the product Liontown will sell, averaged approximately US$6,482 per tonne for the financial year, although finished the year at a 12-month low of US$3,750 per tonne after reaching an historic high in November 2022, exceeding US$8,287 per tonne.[8]

The future looks bright

Looking ahead, the prospects for Liontown lithium remain promising. There is a consistent anticipation of supply shortages extending until the end of the decade. The company continues to experience robust demand from various sectors, including automakers, battery manufacturers, cathode suppliers and refiners. Geopolitical pressures and risks are further enhancing the appeal of Australian lithium.

The processing plant at Liontown's Kathleen Valley will produce spodumene concentrate from mid-2024 and we are actively investigating the potential for an integrated refinery to upgrade our spodumene from the Kathleen Valley mine to higher value lithium products that will meet the needs of our customers.

We are very well positioned to become a significant source of lithium supply and our Kathleen Valley project development timeline means we are poised to take advantage of the continued long-term buoyancy in the lithium market.

[4] *BloombergNEF 1H 2023 Energy Storage Market Outlook 2023*
[5] *BloombergNEF Transition Metals Outlook, January 2023*
[6] *Fastmarkets: Lithium carbonate 99.5% Li2CO3 min, battery grade, spotprices cif China, Japan & Korea, $/kg*
[7] *Fastmarkets : Lithium hydroxide monohydrate LiOH.H2O 56.5% LiOH min, battery grade, spot price cif China, Japan & Korea, $/kg*
[8] *Fastmarkets : spodumene min 6% Li2O, spot price, cif China, $/tonne*

Kathleen Valley Lithium Project

Every day we are closer to completing one of the most significant new long-life lithium projects being constructed anywhere in the world. Kathleen Valley is on track to achieve first production in mid-2024.

Kathleen Valley, approximately 60 kilometres north of Leinster and 680 kilometres north-east of Perth, is readily accessible by sealed highways which connect with mineral exporting ports at Geraldton.

The location is well served by local infrastructure, including national highways and sealed airstrips capable of taking 100-seat jets.

From our customers' perspective, the development of Kathleen Valley as one of the top five lithium mines in the world in Australia implies a secure, reliable and high-quality source. As a Tier-1 jurisdiction, Australia is perhaps the world's most appealing mining centre. Our nation offers high levels of political stability and government policy, while our abundant mineral reserves and commercial operability make Kathleen Valley an exceptional investment and supplier opportunity.

Mining Operations

Following extensive preliminary works, which were completed by the end of 2022, open pit mining at Mt Mann and Kathleen's Corner pits commenced in January 2023, with ore being mined from surface. Ore is being stockpiled for processing through the processing plant when it comes online in 2024 delivering upgraded six percent spodumene concentrate to our three foundation Tier-1 customers as contracted.

Mine Optimisation

One of the most significant tasks undertaken this financial year has been the development of an optimised mine plan, as announced in January 2023.[9] As part of the mine optimisation work, the original mine designs were further enhanced reducing the operational complexity of the initial Definitive Feasibility Study (DFS) mine plan from both an open pit and underground mining perspective. Kathleen's Corner pit has been expanded to produce more ore than previously assumed in the DFS, while the Mt Mann pit has been redesigned and will become the main entry and exit point/s through dedicated portal/s to underground operations.

The focus for mine planning has been to develop a mine plan which de-risks the start up by early ore stockpiling from the open pits, reducing operational complexity and designing-out reliance on large project critical activities, such as raise-boring. Optimisation of the underground mine plan has focussed on initial stope production from the steep to moderately dipping, high tonnes per vertical metre Mt Mann orebody, supplemented by production from the North-West Flats (NWF).

The Kathleen's Corner pit will provide initial ore supply at the process plant while the underground mining operations are being established. The larger Kathleen's Corner open pit will result in more material being moved over the initial project period.

Ore from both the Mt Mann and Kathleen's Corner pits is being stockpiled for processing. Additionally, mineralised material that previously carried too much dilution to be included in the mine plan, has been stockpiled separately as a potential DSO material opportunity through ore sorting, which could provide a source of early revenue.

Open pit mining is planned for the first three years of production. Following an extensive tender process during the first half of FY23, a Letter of Award for the underground mining services contract was issued to Byrnecut Australia in August 2023.

The underground mining contract is the single largest contract for the Kathleen Valley Project, with a value of approximately $1 billion over four years. Byrnecut's wealth of underground expertise, strong balance sheet and skilled workforce was critical in our decision.

[9] *ASX 20 January 2023, Kathleen Valley Project Update*

Project Development

Following the FID in June 2022,[10] the Liontown team immediately went to work on transitioning the company from an exploration company to a mine operator.

In July 2022,[11] leading engineering firm Lycopodium Minerals Pty Ltd (Lycopodium) was appointed to conduct the engineering, procurement, construction management (EPCM) and commissioning services for the processing facilities and associated non-process infrastructure at the Kathleen Valley Lithium Project. Lycopodium has been involved with the Project since 2018, and their substantial global mineral processing and project delivery experience will ensure timely and effective delivery of the project.

Liontown received the Native Vegetation Clearing Approval (NVCP) in August 2022, ahead of the Mining Proposal and Works Approval by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) for a 4Mtpa operation which was received in September 2022.[12] Both were key milestones for the Project which enabled major site works to commence immediately.

The critical siteworks began in the first week of October 2022 following key approvals and, since that time, there has been rapid progress across all aspects of the Project:

- Iron Mine Contracting was awarded the contract to provide open pit services and commenced mining at Mt Mann and Kathleen's Corner and is delivering ore to the stockpile/s and providing material for the construction of ROM pad and TSF outer walls
- The full complement of Liontown's open pit mining team is on site
- The first cell of the TSF construction is well underway
- Progress continues to be made on all elements of the process plant:
  - ROM pad
  - Primary and secondary crushing circuits
  - Fine ore bin
  - SAG mill
  - Flotation & magnetic separation
  - Thickening
  - Concentrate storage shed
  - Buried services
- ADD Group kept pace with the increasing numbers of people on site and, by the end of the financial year, 600 (out of 660) rooms had been commissioned for use. The permanent dining facility is complete and the permanent gym, café and bar areas are in progress
- A 90-metre communications mast was erected by local Tjiwarl business, Dilji Corporation, in April 2023
- The solar farm area was prepared and, by the end of FY23, 21,000 solar panels, out of a total of 30,936, had been delivered to site
- Site preparation work commenced on access roads and laydown areas for the wind turbines and gas power stations in preparation for construction commencing in the first half of FY24
- The spodumene concentrate haulage tender process was substantially progressed and, subsequent to the end of the financial year, in July 2023, was awarded to integrated logistics solutions provider Qube Holdings Limited. The contract includes loading spodumene concentrate at Kathleen Valley, haulage of the concentrate, and potentially DSO material, to the Port of Geraldton; storage and stockpile management and the loading of vessels for shipment to Liontown customers
- An extensive tender process for both the underground mining contract and the SMP and E&I contract was undertaken. Subsequent to the end of the financial year, a Letter of Award was issued to Byrnecut Australia for the underground contract and the SMP and E&I contract was awarded to Monadelphous Group
- Recruitment of Liontown's underground mining team ramped up ahead of underground mining activity scheduled for FY24
- Recruitment of Liontown's processing team commenced as part of operational readiness activities.

We remain on schedule to deliver first production from the process plant to market by the middle of 2024. With a portfolio of three committed Tier-1 foundation customers, Kathleen Valley is ideally positioned to capitalise on strong forecast demand for lithium raw materials over the next decade and beyond.

[10] *ASX 29 June 2022 Liontown Board approves development of Kathleen Valley*

[11] *ASX 21 July 2022 Liontown awards EPCM Contract to Lycopodium*

[12] *ASX 3 October 2022 Mining Proposal and Works Approval Paves Way for Start of Construction and Mining at Kathleen Valley*


Lycopodium
FINE ORE BIN

Capacity Expansion

Liontown's November 2021 DFS[13] anticipated initial plant throughput of 2.5Mtpa, increasing to 4Mtpa in year six of operations.

Since the DFS, we have sought to reduce bottlenecks and optimise engineering design to maximise near term production. We were pleased to announce in January 2023[14] that our plant optimisation process will deliver a 20 percent increase in the initial plant throughput rate to 3Mtpa.

Schedule and Cost

As inflation surged across the globe over the 22/23 financial years, costs have escalated across most sectors of the economy. As a result, our Kathleen Valley Lithium Project has been subject to cost increases across all site-based labour-intensive contracts, with some tenders growing by more than 30 percent throughout the year. In addition to market-wide price escalation, a reduction in the number of contractors willing to bid for some contracts and an associated decline in productivity has impacted tendered package prices. Liontown is not the only company to have experienced cost increases and several companies within the resources sector have also announced cost increases during the past 12 months.

Project optimisations and scope adjustments undertaken by Liontown, coupled with the continued macro-level and industry-wide cost escalation, necessitated a revised capital estimate of $895 million to first production (including $40 million in contingency), which was announced in January 2023.[15]

Time to market and safe delivery of the Project remains our priority and several scope adjustments were undertaken to de-risk the project which contributed to the increase in capital cost. These included:

- Plant capacity design optimised to deliver a 20 percent increase in the initial plant throughput rate to 3Mtpa (up from 2.5Mtpa)
- Enhancing the on-site accommodation capacity by 60 percent to support increased labour resources and de-risk the schedule. This has been necessitated by external accommodation capacity constraints in the region
- A range of critical infrastructure development programs were brought in-house, including mine workshops, changerooms and administration facilities
- Increasing water exploration and piping works for plant water to meet the higher 3Mtpa plant production rate.

These capital requirements will continue to be refined as remaining contracts are awarded and as part of the ongoing optimisation program.

Funding

By the end of FY23, $556 million, approximately 62 percent of forecast project expenditure, had been committed. Remaining funding at 30 June 2023 was $485.8 million, comprising approximately $304.5 million in existing cash reserves and $181.3 million remaining undrawn under the Ford debt facility.

At the end of FY23, negotiations were well advanced on a range of further funding options to deliver the Kathleen Valley Lithium Project into production. Securing additional funding is anticipated well ahead of the requirement for funding.

[13] *ASX 11 November 2021, Kathleen Valley DFS confirms Tier-1 global lithium project with outstanding economics and sector-leading sustainability credentials*

[14] *ASX 20 January 2023, Kathleen Valley Project Update*

[15] *ASX 20 January 2023, Kathleen Valley Project Update*

Direct Shipping Ore

The success of the optimisation project presents an opportunity to monetise additional contact ore (mineralised material that previously carried too much dilution). This material was not part of the original Ore Reserves and would otherwise be stockpiled as waste for potential treatment late in the mine life.

By the end of FY23, Liontown completed test work, which confirmed the potential to crush, screen and process this material through ore sorters to remove dilution. This ore sorted material would be suitable either for sale as DSO or can be added to the ore stockpile for processing through our own plant when operational.

Non-process Infrastructure

Power

Our high-level commitment to ESG has seen the Liontown team search for ways to meet our energy needs effectively while minimising our impact on the environment.

Working with Zenith Energy on a Build, Own and Operate (BOO) basis, we are developing a ground-breaking off-grid wind-solar-battery storage hybrid power station – one of the largest off-grid hybrid power stations for a mining project in Australia. The design of the system allows us to operate at a minimum of 60 percent renewable energy during periods of high wind and solar resource and maximise the use of renewable power at all times.

Our objective is to derive a minimum of 60 percent of our energy from renewable sources at start-up and the design of our power supply is more than capable of achieving that goal. The 95MW system comprises:

- A solar array with approximately 31,000 photovoltaic (PV) panels generating up to 16MW of power
- Five 6MW wind turbines (total 30MW)
- A 17MW/19MWh Battery Energy Storage System (BESS) that stores excess renewable energy generated by solar and wind
- A 27MW gas generator station and five 1MW diesel standby generators.

The Purchase Power Agreement (PPA) executed with Zenith Energy in the December quarter of FY23[16] is designed to supply electricity to our Kathleen Valley Lithium Project for 15 years.

Importantly for Liontown, Zenith Energy has committed to working with the Tjiwarl people and in May 2022 announced a collaboration with Tjiwarl Contracting Services (TCS), a wholly owned subsidiary of Tjiwarl Aboriginal Corporation. This collaboration will see Zenith Energy and TCS work together to deliver low-carbon emission power solutions for miners and communities on Tjiwarl native title determined lands. This collaboration has already resulted in the establishment of a joint venture, Tjiwarl Katu Power Pty Ltd, between Tjiwarl Contracting Services (TCS) and Zenith Energy with the intent that Zenith will train and develop and contract qualified Tjiwarl members.

Mobilisation and early works on the Kathleen Valley hybrid power station commenced in the March quarter of FY23. The first solar panels were delivered to site in May 2023 and clearing for the wind turbines commenced in June 2023.

Accommodation Village

Our Kathleen Valley 'Dragonfly' accommodation village is emblematic of our respect for the culture of the Traditional Owners of the land our Project occupies, the Tjiwarl people. According to the Tjiwarl, a snake lives on the land – an enormous serpent that stretches all the way to Alice Springs. Dragonfly hunters chased the snake into the nearby Jones creek to protect the people. We worked with our camp contractor to incorporate the dragonfly shape into the overall layout design and the result is our inspired Dragonfly accommodation village.

By the end of FY23, over 600 rooms of the accommodation village onsite had been commissioned along with new kitchen and dining facilities. The camp is on schedule to be completed by the end of the calendar year at which time it will comprise 660 permanent rooms with a further 100 rooms added for peak manning during construction.

The accommodation village has been designed to create a 'home away from home' for our people, with larger bathrooms, increased storage space, communal gathering areas, recreation and health facilities and, in addition to the dining and bar facilities, a modern café. We endeavour to ensure that while on site all our workers' and contractors' needs are met and their comfort is assured.

[16] *ASX: 20 December 2022, Liontown executes binding Power Purchase Agreement*

Exploration

Throughout FY23, our drilling programme continued, focusing on the down dip extremity of the Mt Mann feeder dyke system. The western margin of the pegmatite swarm has been drill tested over a strike length of 1.5 kilometres, up to 600 metres down dip from the base of currently defined Mineral Resource.

Of eight deep holes drilled in FY23, seven were unmineralised and one was weakly mineralised.

A single shallower diamond hole (KVDD0083) returned moderate lithium mineralisation (approximately 250 metres down dip for the Mineral Resource) indicating potential for future, incremental resource expansion in the periphery of the current resource model.

Liontown was successfully granted government co-funding for two holes in the exploration program under the Exploration Incentive Scheme, which were completed in the second quarter of FY23.

Given the depth of this mineralisation and the current large Mineral Resource base at Kathleen Valley, it may be more efficient to continue the exploration work during underground mining.

Buldania

While much of the focus this year has been on the massive strides made in developing Kathleen Valley, its sister project at Buldania is proving its value as a source of future spodumene supply.

Situated in the eastern Goldfields region of Western Australia, approximately 600 kilometres east of Perth, the Buldania site shares similar geology with the nearby Mt Marion (71 million tonnes) and Bald Hill (26 million tonnes) lithium deposits.

The Buldania Project is close to major road and rail infrastructure, with direct access to the Port of Esperance 200 kilometres to the south.

Anna Deposit

During FY23, further exploration on the Anna deposit at Buldania was carried out and we now have a much clearer picture of the size and definition of the ore deposit. The exploration and in-fill drilling were completed by the end of the financial year and all assays had been received. Re-modelling of the geological data was also completed by external consultants and was under internal review at the end of FY23. The Anna Deposit has a Mineral Resource Estimate of 15 million tonnes at one percent Li_2O.

North West (NW) Prospect

Further exploration and drilling of the north-west area was undertaken during FY23. By the end of the financial year, the process of analysing the results from the drilling program at the NW Prospect was underway, with about 67 percent of the assay results still pending.

So far, the mineralisation we've encountered is relatively thin and of relatively low grade, with limited continuity at depth. Interestingly, the diamond holes did not show any obvious spodumene mineralisation. It appears that the NW Prospect may be situated at the lower boundary of the spodumene zone, with limited potential below the known outcrop.

Buldania Scoping Study Works

Outside of exploration drilling, a metallurgical drill program was also undertaken. Core collected is being used as part of a metallurgical test work program that has now commenced at Nagrom.

In addition, initial environmental studies and surface water management reviews were also initiated.

Downstream Expansion

As part of our overall strategy to create value for shareholders, during FY23, work progressed on investigating the potential for an integrated refinery to upgrade the spodumene from the Kathleen Valley mine to higher value lithium products that will meet the needs of customers. Refining spodumene into downstream lithium products presents an attractive opportunity for Liontown to increase value for shareholders.

Further work is being undertaken at a strategic level to address three key areas:

- Updating costings to reflect capital escalation that has affected the industry globally
- Progressing a trade-off study comparing the construction of a plant to process our spodumene into different product streams - including intermediate lithium products and/or battery-grade lithium hydroxide
- Identifying potential industrial sites and technical partners for developing a refinery in Western Australia and other jurisdictions.

By staging the potential investment and development of refining capacity, as originally contemplated in the 2021 DFS, Liontown could have flexibility on product, final sizing and specific timing of development while also reducing implementation risk.

Business Development

Completion of Toolebuc Vanadium Project Sale

During FY23, Liontown completed the sale of the Toolebuc Vanadium Project, located in north-west Queensland, to Currie Rose Resources Inc (Currie Rose) (TSXV: CUI) in consideration for 12,500,000 common shares in the capital of Currie Rose, 4,000,000 common share purchase warrants of Currie Rose and a 2 percent net/gross revenue royalty payable on minerals extracted from the property.

The common share purchase warrants expire 24 months from the issue date, each of which is exercisable prior to the expiry date to subscribe for one common share in the capital of Currie Rose for a subscription price of CAD$0.10.

Liontown and Olympio Metals Farm-in Agreement

In April 2023, Liontown and Olympio Metals (ASX: OLY) announced a farm-in agreement for Olympio's Mulline and Mulwarrie Lithium Projects in the eastern Goldfields of Western Australia.

Under the terms of the agreement, Liontown will complete 1,100 soil samples across both projects and make an initial assessment before progressing to a possible Stage 1 earn-in. Liontown may elect to progress further investments within set time frames to increase its exposure to both projects. Exploration work on the projects commenced in the June quarter of FY23.

Environmental, Social and Governance (ESG) Approach

Fostering an aligned corporate culture for sustaining a social license to operate

Our business is built on the premise of helping the world to transition to a low-carbon future. Our ESG goal is to minimise environmental harm and create positive social impacts through considered governance and safe, healthy policies and strategies.

As part of our ESG commitment, the Board of Directors, the management team and the people that work for, and with, Liontown all share a common aim of leading by example. For this reason, ESG leadership is a vital part of our purpose and our practice.

We strive to lead the way in clean energy production and sensitivity to environmental concerns and actions, positive social engagement – particularly with the Tjiwarl people, the Traditional Owners of land where Kathleen Valley is situated and the Ngadju Native Title Aboriginal Corporation (NNTAC), the Traditional Owners of the land where our Buldania deposit is located – and policies that promote the health, safety and wellbeing of all our stakeholders.

ESG Framework

Our objective in formulating ESG strategies is to effectively manage the significant short-, medium- and long-term economic, environmental and social impacts of our Kathleen Valley Lithium and Buldania Projects, our Perth offices and all of our transport and exploration activities.

Our goal is to balance any impacts we create to achieve positive and measurable outcomes for our host communities, the regions we work in and traverse, Western Australia and, more broadly, Australia. We aspire to establish a world-class ESG framework at this early stage of Liontown's development, not because incorporating ESG principles is an approach global investors and the market increasingly request, rather because it reflects our values and our strong overall commitment to doing the right thing for the right reasons from the outset to the benefit of all stakeholders.

The foundation of our approach to ESG as our company evolves from exploration to development to significant mine and processing operator, is the Kathleen Valley Lithium Project DFS. The DFS sets the standards and the character of our methodology, because we understand that the right approach from the outset means the work we do now positions us well for the future.

During FY23, we defined five interconnected pillars of our ESG framework, focusing on areas that are material to Liontown and our stakeholders:

- Respecting and Protecting
- Partnering with Others
- Developing Natural Resources Responsibly
- Creating Social and Economic Value
- Operating with Integrity.

FY23 ESG
Key Achievements

LTIFR:
0.00
Lost time injury frequency rate

Employee growth:
273%

Gender diversity:
31%
female representation

Tier-1 spend[17]
78%
with Australian companies

[17] *See Liontown FY23 ESG Report p. 52 for definition of Tier-1 spend*

Throughout FY23, we continued to work towards achieving our ESG commitments:

- We established a Sustainability and Risk Committee at Board level to oversee Liontown's risk management framework and sustainability practices
- We commenced development of our decarbonisation pathway strategy which will help us create a clear set of objectives and strategies to reduce carbon emissions through our activities and to help the world achieve a low-carbon future
- A climate risk workshop was held during the year on the Task Force on Climate Related Financial Disclosures (TCFD)
- We undertook a self-assessment to gain an understanding of our compliance with the Initiative for Responsible Mining Assurance (IRMA) Ready Standard pilot program. The next step is to attain third party assessment against the IRMA Standard for Responsible Mining in the coming years
- We prepared our first climate change response to the CDP
- We continued ongoing consultation with the Tjiwarl Traditional Owners through the delivery of the Kathleen Valley Project and implementation of the Cultural Heritage Management Plan (CHMP) and applicable agreements

We use best-in-class reporting standards to measure our ESG performance, including:

- Global Reporting Initiative (GRI) Standards 2021
- Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard
- The Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Sustainable Development Goals Framework (SDGs)

To keep our stakeholders fully informed of our progress, we release an ESG Report every year. To learn more about the work we undertook this financial year and the progress we made, you can access the 2023 ESG Report at **ltresources.com.au**.


Liontown

Corporate Update

Laying the foundation for a future ready company

Although much of the attention for the year has been spent on our projects, we have also been heavily focused on building a company that sets us up for the long-term.

Business readiness and transformation

Since receiving final investment approval for our Kathleen Valley Lithium Project in June 2022, we have dedicated significant effort and resources to building a team that will enhance our business readiness to navigate our evolving landscape.

During FY23, we strategically aligned our initiatives to support our rapid growth and our commitment to business readiness is a driving force behind our transformation from junior explorer to mining operator and producer.

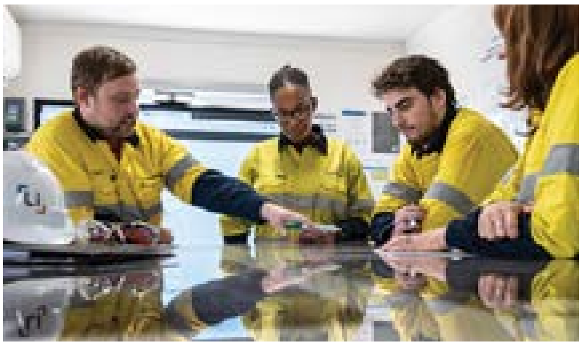
Systems to set us up for success

During FY23, we invested in a diverse range of systems that will significantly shape our company and the way we operate. With unwavering commitment to innovation and efficiency, we strategically implemented several cutting-edge systems across our company. These systems will not only streamline our internal processes but will enhance our ability to operate with transparency, accountability and integrity as we grow our company.

We embarked on the transformative journey of implementing an Enterprise Resource Planning (ERP) system, commencing with the integration of our financial and human resources (HR) modules. This strategic initiative marked a significant milestone in streamlining our organisational processes and fostering greater operational efficiency. The integration of these modules has enabled us to seamlessly manage financial transactions, optimise resource allocation and facilitate HR functions, all within a unified digital ecosystem. As a result, we have witnessed improvements in data accuracy, real-time reporting and cross-functional collaboration. In the year ahead, we will further bolster our ERP system by incorporating the maintenance and procurement modules.

We commenced the process of consolidating the separate document storage methods that had evolved since the Company's inception into a business-wide, leading-edge Document Management System (DMS). Creating the architecture of this system involved every area of the business and, when fully implemented, it will be key in how we manage, access, and share critical information across the organisation. By digitising our document management and workflows, we will not only set ourselves up for improved efficiency in the way we work but will also enhance our data security and compliance.

In the pursuit of enhanced financial stewardship and operational efficiency, we implemented a comprehensive cost management system (CMS) for tracking the budget and costs of our projects, coupled with a powerful business analytics tool.



Combined, these systems provide us with the ability to monitor and manage project expenditures with precision and agility. Through meticulous data collection and real-time integration, our team can import and facilitate advanced data analysis and create dynamic reports and dashboards to provide clear, real-time updates of expenditure across every aspect of the project. The synergy between our cost management system and our business analytics tool not only ensures seamless visualisation of financial data but also enables live updates, fostering proactive decision-making and a culture of transparency from the team on the ground executing the project through to the executive team and the board.

Fostering a vibrant people and culture ecosystem

Our employees are at the heart of our success and building a vibrant people and culture will be key to our success. During the past year, we have laid the foundation to create an inclusive, diverse and innovative workplace. We are in the unique position in which we get to frame our culture as we build our company.

With the pace of our employee growth, we outgrew our original office and our Perth based teams were working across multiple locations. To ensure we create an environment where our employees grow together and thrive, we relocated to a single location, investing in a workplace with the latest technology, a variety of collaborative spaces and strong ESG credentials. This will help us remain competitive in a tight labour market and a rapidly changing business landscape.

Although there is still much to be done to build our company, the progress we have made with business readiness, systems and process, the adoption of advanced technology, and the shaping of our people and culture during FY23 have laid a solid foundation from which to build on in FY24 and beyond.

Albemarle Indicative Non-Binding Proposal

In March 2023, Liontown announced that it had received an unsolicited, conditional and non-binding indicative proposal from global lithium company Albemarle Corporation, at a price of $2.50 per share via a scheme of arrangement. The Board carefully considered the indicative proposal, as it had for two prior proposals, and unanimously determined that it substantially undervalues Liontown and, therefore, was not in the best interests of shareholders and rejected the offer.

Subsequent to the end of the financial year, in September 2023, Liontown received a revised proposal from Albemarle. After carefully considering the revised non-binding and conditional proposal, the Board determined to grant Albemarle an opportunity to conduct a period of exclusive due diligence of approximately four weeks, 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.

Should Albemarle make a binding proposal at $3.00 per Liontown share, subject to agreement of a mutually acceptable binding scheme implementation agreement, it is the Board's intention to unanimously recommend shareholders vote in favour of the proposal in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is in the best interests of shareholders.

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 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.

Kathleen Valley Project – Mineral Resource Estimate as at April 2021

Resource category	Tonnes (Million)	Li_2O (%)	Ta_2O_5 (ppm)
Measured	20	1.3	145
Indicated	109	1.4	130
Inferred	27	1.3	113
Total	**156**	**1.4**	**130**

Notes:
- Reported above a Li_2O cut-off grade of 0.55%.
- Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate.

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 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.

Anna Deposit, Buldania Project – Mineral Resource as at October 2019

Resource category	Tonnes (Million)	Li_2O (%)
Indicated	9.1	1.0
Inferred	5.9	1.0
Total	**15.0**	**1.0**

Notes:
- Reported above a Li_2O cut-off grade of 0.5%
- Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate

Forward Looking Statement

This report contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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 2023 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 an experienced mining executive with over 40 years' experience in the resources industry. He has been involved in the formation and management of a number of publicly listed companies and is currently Non-Executive Chairman of DevEx Resources Limited. Mr Goyder was appointed as Non-Executive Chairman on 2 February 2006.
Interest in shares and options at the date of this report:	329,678,766 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 and was previously Non-Executive Chairman of Chalice Mining Limited (resigned 24 November 2021).

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.
Interest in shares and options at the date of this report:	4,922,754 ordinary shares 2,500,000 unlisted options 1,250,000 unlisted sign-on performance rights 249,079 unlisted short-term incentive (STI) performance rights 2,605,454 unlisted long-term incentive (LTI) performance rights
Special responsibilities:	None
Directorships held in other listed entities in the last three years:	None

Anthony Cipriano B.Bus, CA, GAICD Independent Non-Executive Director	
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:	16,100,000 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 24 November 2021.
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	
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:	29,767,515 ordinary shares 1,000,000 unlisted options
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).

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.
Interest in shares and options at the date of this report:	66,210 ordinary shares 500,000 unlisted options
Special responsibilities:	Chair of the Remuneration Committee from 24 November 2021, member of the Audit Committee to 30 September 2022 and member of the Sustainability & Risk Committee from 23 March 2023.

Jennifer Morris B.Arts, AICD, INSEAD Independent Non-Executive Director	
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.
Interest in shares and options at the date of this report:	160,000 ordinary shares
Special responsibilities:	Member of the Audit Committee from 1 July 2022 and member of the Sustainability & Risk Committee from 23 March 2023.
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 with over 25 years'experience in the infrastructure and resources sector. She has extensive legal, commercial, and business expertise specialising in delivery of large construction, engineering, energy and mining projects across a number of jurisdictions, worldwide. Ms Parker is a partner with global law firm, Pinsent Masons, and Head of their Perth office.
Interest in shares and options at the date of this report:	None
Special responsibilities:	Member of the Audit Committee from 7 March 2023 and Chair of the Sustainability & Risk Committee from 23 March 2023.
Directorships held in other listed entities in the last three years:	Ms Parker is currently a Non-executive Director of Fleetwood Limited.

Steven Chadwick BAppSc, AusIMM Independent Non-Executive Director (resigned 4 July 2022)	
Experience:	Mr Chadwick has over 40 years' experience in the mining industry, incorporating technical, operating and management roles, as well as a strong metallurgical background. He was a founding Director of BC Iron Limited and a former Managing Director of Coventry Resources, PacMin Mining Limited and Northern Gold Limited, prior to their corporate acquisitions. Mr Chadwick was also a Director of and consulted to major Canadian miner Teck Resources' Australian subsidiary for ten years. Mr Chadwick was appointed as a Non-Executive Director on 10 January 2019.
Interest in shares and options at the date of retirement:	10,047,636 ordinary shares
Special responsibilities:	None
Directorships held in other listed entities in the last three years at date of resignation:	Mr Chadwick is a Non-Executive Director of Lycopodium Limited and was previously an Executive Director of Quantum Graphite Limited (resigned 30 November 2020).

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	-	-	3	3	-	-
T Ottaviano	18	18	-	-	-	-	-	-
A Cipriano	18	18	3	3	2	3	-	-
C Williams	18	18		-	-	-	-	-
J Morris	15	18	1	1	3	3	2	2
S McLeay	18	18	3	3	-	-	2	2
A Parker	14	14	2	2	-	-	2	2

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 2023.

Operating performance

The information provided in the review is set out in pages 17 to 29 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 Company.

Financial performance

The Group reported a net loss after tax of $22.2 million for the year compared to the net profit after tax of $40.9 million in 2022. The net profit in 2022 was largely driven by the $91.0 gain on the demerger of Minerals 260 Limited. Exploration and evaluation expenditure was $11.7 million being an increase of $3.3 million from 2022, excluding $30.3 million from 2022 relating to the termination of the Kathleen Valley royalty previously held by Ramelius Resources Ltd. Corporate and administrative costs increased by $7.7 million in 2023 due to an increase in corporate activity and resources associated with development of the Kathleen Valley Lithium Project. Corporate and exploration expenditure was offset by $11.6 million of interest income derived from the management of the Group's cash reserves.

The Group continued the capitalisation of costs related to the development of the Kathleen Valley Lithium Project with $284.6 million of costs capitalised during the year.

Financial position

At balance date the Group had net assets of $449.7 million (2022: $466.8 million), and an excess of current assets over current liabilities of $248.4 million (2022: $434.6 million).

The Group cash on hand was $305.4 million as at 30 June 2023 (2022: $453.1 million).

The carrying value of property plant and equipment increased by $302.4 million to $329.4 million at 30 June 2023. Capitalised Kathleen Valley development costs was the main contributor to the year-on-year movement with a total of $284.6 million of costs capitalised during 2023. The Group has recognised a $9.5 million rehabilitation asset (2022:

$0.2 million) and a corresponding rehabilitation provision in line with the increased disturbance associated with the Kathleen Valley development.

Trade and other payables increased by $54.0 million to $73.5 million at 30 June 2023 (2022: $19.5 million). Accrued expenses accounted for $69.2 million of the balance and primarily related to Kathleen Valley development and mining costs.

Non-current interest bearing liabilities and borrowings of $115.1 million at 30 June 2023 is related to the first drawdown of the $300 million Ford term loan facility which occurred during April 2023. Refer to note 16 for further details.

Statement of cashflows

Net cash outflow from operating activities was $16.4 million (2022: $47.0 million) which included cash inflows of $10.8m related to interest income from term deposits. The 2022 net cash outflow included the $30.3 million purchase of the Kathleen Valley royalty from Ramelius Resources Ltd.

Net cash outflows from investing activities increased by $230.1 million to $244.1 million (2022: $14.0 million). The increase in cash outflows was primarily driven by the increased development activities at Kathleen Valley.

Net cash inflows from financing activities of $112.8 million (2022: $501.5 million) was primarily comprised of the $118.8 million drawdown of the $300 million Ford financing facility offset by costs incurred to secure the facility. Inflows for 2022 included $501.6 million net proceeds from the issue of shares.

Corporate

Board Changes

Highly experienced lawyer Ms Adrienne Parker was appointed as Independent Non-Executive Director effective 1 October 2022. Ms Parker is a highly respected lawyer specialising in the infrastructure and resources sectors. She is a partner with global law firm, Pinsent Masons, and Head of their Perth office. Ms Parker has over 25 years' experience in the delivery of large construction, engineering, energy and mining projects across a number of jurisdictions, including as a partner of major Australian and global law firms. She has advised on procurement strategies and contract models, risk assessment and management, the negotiation and preparation of mining services agreements, EPC and EPCM contracts, as well as providing ongoing life-of-project advice, including claims and disputes.

Ms Parker's experience and her specialisation in the infrastructure and resources sector will bring strong legal, commercial and corporate experience to the Board.

Mr Steven Chadwick retired as a Non-Executive Director of the Company effective 4 July 2022. Mr Chadwick has played an instrumental role and made very valuable contributions to the Company's growth and success.

Toolebuc Vanadium Project Sale

In August 2022, the Company completed the sale of the Toolebuc Vanadium Project, located in north-west Queensland, to Currie Rose Resources Inc (Currie Rose) (TSXV: CUI) in consideration for 12,500,000 common shares in the capital of Currie Rose, 4,000,000 common share purchase warrants of Currie Rose and a 2% net gross revenue royalty payable on minerals extracted from the property.

The common share purchase warrants expire 24 months from the issue date, each of which is exercisable prior to the expiry date to subscribe for one common share in the capital of Currie Rose for a subscription price of CAD$0.10.

Olympio Metals Ltd Farm-in Agreement

In April 2023, the Company executed a farm-in agreement for Olympio Metals Ltd (ASX: OLY) Mulline and Mulwarrie Lithium Projects (the Projects) in the Eastern Goldfields of Western Australia.

Under the terms of the agreement, the Company will complete 1,100 soil samples across the Projects and make an initial assessment before progressing to a possible Stage 1 earn-in. The Company may elect to progress further investments within set time frames to increase its exposure to the Projects. Exploration work on the Projects commenced in the June quarter.

Albemarle Indicative Non-Binding Proposal

In March 2023, the Company received an unsolicited, conditional and non-binding indicative proposal from global lithium company Albemarle Corporation, at a price of $2.50 per share via a scheme of arrangement. The Board carefully considered the indicative proposal and unanimously determined that it substantially undervalues the Company, and therefore is not in the best interests of shareholders and rejected the offer. Please refer to events subsequent to balance date for more information.

Business Strategies and Prospects for Future Financial Years

The strategy of the Group is to create long-term shareholder value, be an environmental, social and governance (ESG) leader 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 Kathleen Valley Lithium Project's full potential: by becoming a globally significant supplier of spodumene;
(ii) Downstream Expansion: develop integrated operations to capture higher margins; and
(iii) Expand the portfolio through organic growth (including the Buldania Lithium Project), value accretive merger and acquisition, and exposure to the circular economy.

The Groups' activities have inherent risk and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are outlined below.

Development risks

As a result of the substantial expenditures involved in mine development projects and the impact on those expenditures from a high inflation environment, mine developments are prone to material cost overruns, cost inflation, labour shortages and supply chain interruptions. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Operational risks

The planned schedule for the commissioning and ramp up of the spodumene process plant are subject to operating risks that could impact the amount and quality of spodumene produced or increase the cost of production for varying lengths of time. Such difficulties include: changes or variations in ore grade, metallurgical performance; mining, processing and loading equipment failures and unexpected maintenance problems; limited availability or increased costs of mining, processing and loading equipment and parts and other materials from suppliers; mine safety accidents; export port infrastructure and capacity allocation, adverse weather and natural disasters; and a shortage of skilled labour. If any of these or other conditions or events occur in the future, they may increase the cost of mining or delay or halt planned commissioning, ramp up and production, which could adversely affect our results of operations or decrease the value of our assets. The Group has in place a framework for the management of operational risks and an insurance program which provides coverage for a number of these operating risks.

Sufficient water resources

Securing good quality water sources (less than 3,000 total dissolved solids) has been identified as a key project requirement. Good progress has been made in securing the necessary water required for commencement and exploration work and development activity is continuing on numerous identified targets to further define additional water resources. In the event sufficient locally sourced additional water resources cannot be identified, this may result in an increase in the development cost, cost of operations or impact planned commissioning, ramp up and/or production.

Lithium prices and foreign exchange

The price of lithium products and other commodities fluctuate and are affected by numerous factors beyond the control of the Company. Potential future production from the Company's mineral properties will be dependent upon the price of Lithium products and other commodities being adequate to make these properties economic. The Company executed binding offtakes with high quality offtake partners at different levels of the supply chain and across different jurisdictions. Project financing facilities with Ford are denominated in Australian dollars and most of the planned development and operational activities are denominated in Australian dollars. Sales revenues will be denominated in US dollars and the Company's ability to fund activities and make debt repayments may be adversely affected if the Australian dollar rises against the US dollar.

The Company's activities will require further capital

The development of the Company's projects will require additional funding. The directors have prepared a cash flow forecast which indicates minimum additional funding of $450 million will be required progressively over the period commencing from December 2023 to fund the remaining development costs associated with the Project, and to fund the Group's working capital requirements through to the point in time that the Group commences generating positive net cash flows, which is currently forecast to occur in Q4 calendar year 2024 (with first concentrate production forecast to commence mid calendar year 2024). Refer to note 3(f) for further information.

Native title and Aboriginal Heritage

There are areas of the Company's projects over which common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights do exist, the Company must obtain consent of the relevant landowner to progress the exploration, development and mining phases of its operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage legislation, the Company must obtain consents in accordance with the legislation. The Company has executed a Native Title Land Access Agreement with the Native Title Owners for Kathleen Valley and established a framework for ongoing engagement and obtaining required consents for the continuity of works, but in the event that it is unable to obtain these consents, its activities may be adversely affected.

The Company's activities are subject to Government regulations and approvals

The development of the Kathleen Valley Lithium Project is subject to obtaining further key approvals from relevant government authorities. The Company has an approvals schedule and a management team with significant experience in approvals required for mining projects in Western Australia. A delay or failure to obtain required permits may affect the Company's schedule or ability to develop the project. Any material adverse changes in government policies or legislation in Western Australia and Australia that affect mining, processing, development and mineral exploration activities, export activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of any planned development the Kathleen Valley Lithium Project and other projects in the Company's portfolio. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact the Group's mineral properties.

Global financial conditions may adversely affect the Company's growth and profitability

Many industries, including the mineral resource industry, are impacted by the global economy. Some of the key impacts of financial market turmoil, global geopolitical tensions and inflationary economic environments may result in contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

Business disruption resulting from cyber security breaches

Liontown embraces the use of technology as an important aspect of enhancing business performance. Accordingly, any breach of our information technology platform could cause significant disruption to the business as well as potentially damage the Company's reputation through the loss of sensitive information. The Company takes an active approach to mitigating its risks and exposure to cyber security threats through regular reviews of the information technology control environment and understanding of new and emerging cyber security threats.

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

Structural Mechanical Piping and Electrical & Instrumentation Contract

On 13 September 2023, the Company announced the Wet Plant Structural, Mechanical, Piping and Electrical & Instrumentation contract for the Kathleen Valley Lithium Project had been awarded to Monodelphous. The value of the contract over nine months is approximately $100 million.

Revised Proposal from Albemarle Corporation

On 4 September 2023, the Company announced it had received a revised conditional and non-binding indicative proposal from Albemarle Corporation to acquire all of the ordinary shares on issue in Liontown for $3.00 cash per share via a scheme of arrangement. The offer is conditional upon due diligence, the Liontown Board unanimously recommending the proposal and entry into a mutually acceptable scheme implementation deed, subject to shareholder approval. The Liontown Board has granted Albemarle a limited period of exclusive due diligence. Should Albemarle make a binding proposal at $3.00 per share, subject to agreement of a mutually acceptable binding scheme implementation agreement, the intention of the Liontown Board is to unanimously recommend shareholders vote in favour of the proposal in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is in the best interests of shareholders.

S&P/ASX 100 Index

On 1 September 2023, S&P announced inclusion of the Company in the S&P/ASX 100 index effective from 18 September 2023.

Underground Mining Contract

On 17 August, Liontown announced the underground mining services contract at Kathleen Valley had been awarded to Byrnecut Australia Pty Ltd.

Direct Shipped Ore

On 3 August 2023, the Company announced its intention to proceed with delivery of Direct Shipping Ore (DSO) product to provide an early source of revenue ahead of the first concentrate production at the Kathleen Valley Lithium Project. Due to softening market conditions the Company is now reviewing DSO options, including withholding sales and adding the material to the stockpile as future mill feed. The Company is considering maintaining optionality to either sell DSO material should market conditions improve or use the DSO product as mill feed to produce concentrate. The Company will continue to progress the DSO crushing and sorting program to assist in the design of a potential large-scale sorting circuit as part of the planned 4 Mtpa circuit expansion.

E36/876 Tenement

On 26 July 2023, Liontown reached agreement with the owners of tenement E36/876, including Mila Resources plc (LON: MILA), providing Liontown a right to acquire up to 80% of the lithium rights under E36/876, approximately 8 km to the south of the Kathleen Valley Lithium Project. Under the terms of the agreement, Liontown will invest $100,000 in Mila through an unsecured convertible loan note. Liontown may acquire a 51% interest in the lithium rights within 18 months by paying $200,000 and a further 29% interest in the lithium rights within 5 years paying a further $2,000,000.

Haulage Contract

On 19 July 2023, the Company announced it had awarded the spodumene and DSO haulage service contract for the Kathleen Valley Lithium Project to Qube Holdings Ltd (Qube). The contract is conditional upon Qube finalising arrangement to secure the storage facility at the Port of Geraldton and is valued at approximately $175 million over a five year term.

Debt Facility

On 11 July 2023, a second draw down of funds was made under the facility agreement with the Ford Motor Company of $128.6 million taking the total principal drawn down to $247.3 million.

Monjebup Tenements

On 10 July 2023, Red Mountain Mining Limited (ASX: RMX) announced a farm-in agreement with LBM (Aust) Pty Ltd, a wholly owned subsidiary of Liontown, to acquire an 80 percent interest in the Monjebup Rare Earth Project, consisting of 321 blocks covering ~910km2 in southern Western Australia. Red Mountain are required to issue 40 million shares to Liontown and spend not less than $500,000 within the 24 month farm-in period to earn their interest. Red Mountain shall also grant Liontown a 2% net smelter royalty upon earning their interest.

There has not been any other matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 Liontowns' 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

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 and project development 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.

Options, Service and Performance Rights Granted Over Unissued Shares

(a) Options

At the date of this report 4,000,000 fully paid ordinary shares of the Company are under option on the following terms and conditions:

	Number
Exercisable at $0.2979 each on or before 25 November 2023	1,000,000
Exercisable at $0.5779 each on or before 9 February 2024	2,500,000
Exercisable at $2.45 each on or before 23 November 2024	500,000
Total Options	**4,000,000**

(b) Performance Rights

At the date of this report 9,534,750 fully paid ordinary shares of the Company are under performance rights on the following terms and conditions:

	Number
Sign on Performance Rights Expire 1 July 2024, with a nil exercise price	1,250,000
Short Term Incentive Performance Rights Expire 30 June 2025 with a nil exercise price	891,418
Short Term Incentive Performance Rights Expire 30 June 2026 with a nil exercise price	441,536
Long Term Incentive Performance Rights Expire 31 March 2025 with a nil exercise price	1,058,713
Long Term Incentive Performance Rights Expire 30 June 2025 with a nil exercise price	2,915,212
Long Term Incentive Performance Rights Expire 30 June 2027 with a nil exercise price	3,419,407
Long Term Incentive Performance Rights Expire 30 June 2028 with a nil exercise price	1,301,738
Total Performance Rights	**11,278,024**

Remuneration Report - Audited

(a) Introduction

This remuneration report for the year ended 30 June 2023 outlines remuneration arrangements in place for Directors and other members of the Key Management Personnel (KMP) of the Company in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. KMP's during or since year end were:

(i) Non-Executive Directors

T Goyder - Chair
A Cipriano - Lead Independent Non-Executive Director
C Williams - Non-Executive Director
J Morris – Non-Executive Director
S McLeay - Non-Executive Director
A Parker – Non-Executive Director (appointed 1 October 2022)
S Chadwick - Non-Executive Director (resigned 4 July 2022)

(ii) Executives

T Ottaviano - Managing Director and Chief Executive Officer (CEO)
A Smits – Chief Operating Officer (COO)
G Donald – Chief Commercial Officer (CCO) (appointed 24 November 2022)
J Latto – Chief Financial Officer (CFO) (appointed 23 December 2022)
C Hasson – Chief Financial Officer (CFO) (resigned 23 December 2022)

There were no other changes to KMP after the reporting date and before the date the financial report was authorised for issue.

(b) Remuneration Committee

The Remuneration Committee members are Ms Morris (Chair), Mr Goyder and Mr Cipriano (all non-executive directors) and the Committee is responsible for advising and making recommendations to the Board regarding the remuneration framework, policy, vesting of awards and compensation arrangements for the non-executive and executive directors, executives and employees.

Details of the Remuneration Committees Charter can be found at the Company's website www.ltresources.com.au.

Use of Remuneration Consultants

To ensure the Remuneration Committee is fully informed when making remuneration decisions, the Remuneration Committee may seek external advice, as it requires, on remuneration policies and practices. Remuneration consultants can be engaged by, and report directly to, the Committee. In selecting remuneration consultants, the Committee considers potential conflicts of interest and independence from the Group's KMP and other executives. During the financial year the Remuneration Committee did not seek advice from external consultants in relation to remuneration benchmarking nor did they receive any remuneration recommendations as defined by the *Corporations Act 2001*.

Remuneration Report approval at 2022 Annual General Meeting (AGM)

The Remuneration Report for the financial year ended 30 June 2022 received positive shareholder support at the 2022 Annual General Meeting with a vote of 98.35% in favour.

(c) Remuneration Framework

The performance of the Company depends upon the quality of the directors and executives. The strategy of the Company in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre Directors, Executives and employees and to link a significant component of executive rewards to shareholder value creation. The size, nature and financial strength of the Company is also considered when setting remuneration levels to ensure that the operations of the Company remain sustainable.

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

The Company may issue equity securities (i.e. options, service rights or performance rights) under the Employee Securities Incentive Plan (Incentive Plan) to retain and reward short and long term performance of directors, executives and, employees which is aligned to strategic objectives and shareholder returns. The Incentive Plan was last approved by Shareholders at the 2021 AGM.

Executive Remuneration

The Company's executive remuneration strategy is designed to attract, motivate and retain high performance individuals and align the interests of executives and shareholders. Remuneration consists of elements of fixed remuneration and variable 'at risk' remuneration (comprising short-term and long-term incentive).

Fixed remuneration

Fixed remuneration is key in attracting and retaining executive talent and it is reviewed on an annual basis by the Remuneration Committee and the Board. The annual review will generally include a comparison to relevant comparative remuneration in the market which can be provided by an external consultant or sourced externally.

Short-term incentives

The Board may consider short-term 'at risk' performance related remuneration in the form of cash or share-based payments to reward performance in relation to shorter term strategic objectives of the Company.

The Company currently has no formal performance related remuneration policy that governs the payment of annual cash bonuses upon meeting pre-determined performance targets. There were no cash bonuses paid to or received by KMP in the years ended 30 June 2022 and 30 June 2023.

Under the Incentive Plan, the Company can issue either share options or rights that focus on aligning the interests of executives and shareholders. In addition to vesting service periods, performance hurdles are set on performance rights issued to executives.

Short-term incentive (STI) performance rights will vest to the extent the Board, using its discretion, determines that the short-term incentive criteria have been satisfied.

Short-term incentives for the 2023 financial year were issued to executives in November 2022 (refer section (g) of the remuneration report).

Long-term incentives

The Company may issue equity securities (i.e. options or performance rights) under the Incentive Plan to reward longer term performance and retention of Executives that provides an opportunity to participate in the growth of the Company.

The Company, under the Incentive Plan, can issue either share options or rights that focus on aligning the interests of executives and shareholders. In addition to vesting service periods, performance hurdles are set on performance rights issued to executives in certain circumstances. Options issued to executives can have performance hurdles or nonperformance vesting service periods. Where options are issued the Company believes that by issuing options at a price in excess of the Company's share price at the date of issue of those options, there is an inherent performance hurdle as the share price of the Company's shares has to increase before any reward can accrue to the executive.

Long-term incentive (LTI) performance rights will vest to the extent the Board, using its sole discretion, determines that the long-term incentive criteria have been satisfied.

Long-term incentives for the 2023 financial year were issued to executives in November 2022 (refer section (g) of the remuneration report).

Link between performance and executive remuneration

The focus of executive remuneration over the financial year was fixed remuneration, options and performance rights under the Incentive Plan (i.e. growing the value of Company as reflected through share price) which seeks to ensure that executive remuneration is appropriately aligned with the Business strategy and shareholder interests.

The performance over the last 5 years is as follows:

	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Share price ($)	0.100	0.105	0.850	1.055	2.83
Market Capitalisation ($'000)	153,289	179,685	1,546,243	2,312,798	6,232,383

Targeted remuneration mix

The target maximum remuneration is set each year for executives by the Committee in response to market conditions and strategic business objectives.

The table below represents STI and LTI opportunities as a percentage of fixed annual remuneration (FAR) for executives in the 2023 financial year.

Position		At Risk	
	Total STI and LTI as % of FAR	Short-Term Incentive as % of FAR	Long-Term Incentive as % of FAR
CEO	248%	60%	188%
COO	158%	53%	105%
CCO	158%	53%	105%
CFO	0%	0%	0%

FAR: fixed annual remuneration consisting of base salary and superannuation. This excludes sign-on incentives.

The table below represents the target remuneration mix for executives based on maximum incentive opportunity in the 2023 financial year.

Position		At Risk	
	FAR (1)	Short-Term Incentive	Long-Term Incentive
CEO	29%	17%	54%
COO	39%	20%	41%
CCO	39%	20%	41%
CFO	100%	0%	0%

(1) .Refer to section (d) for details of executive fixed remuneration from 1 July 2023.

Non-Executive Director Remuneration

The Board recognises the importance of attracting and retaining talented non-executive directors and aims to align remuneration with companies of a similar size and complexity in the mining and exploration industry. The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Company's Constitution and the ASX Listing Rules specify that the aggregate fees to be paid to non-executive directors for their role as a director are to be approved by shareholders at a general meeting. At the Company's 2021 AGM, Shareholders approved to increase the total aggregate pool amount of fees of $500,000 that was approved in November 2018 to $1,000,000 per annum (including superannuation). The increase in the total fees was to reflect the increased time and commitment of non-executive directors given the rapid expansion in the scope and nature of the Company's activities and to ensure that the Company can attract new directors with the appropriate skills and experience to complement the Board.

The amount of total compensation apportioned amongst directors is reviewed annually and the Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors includes directors' fees, and board committee fees as outlined below:

	At 30 June 2023
Annual Board fees	
Chair	$150,000
Lead independent director	$100,000
Other non-executive directors	$70,000
Annual Committee fees	
Chair	$15,000
Member	$7,500

The non-executive directors are not entitled to receive retirement benefits and, at the discretion of the Board, may participate in the Incentive Plan subject to approvals required by shareholders.

Use of non-executive directors as consultants

Apart from their duties as directors, some non-executive directors may undertake work for the Company on a consultancy basis pursuant to the terms of any consultancy services agreement. The nature of the consultancy work may vary depending on the expertise of the relevant non-executive director. Under the terms of any consultancy agreements non-executive directors would receive a daily rate or a monthly retainer for the work performed at a rate comparable to market rates that they would otherwise receive for their consultancy services.

During the year, Mr Chadwick received no fees for consultancy services (2022: $56,000). Refer section (i) of the remuneration report for further details.

During the year, Mr Cipriano received no fees for consultancy services (2022: $147,500). Refer section (i) of the remuneration report for further details.

No fees were paid to other non-executive directors under consultancy services agreements.

(d) Executive Remuneration in FY2024

The Remuneration Committee undertook a comprehensive review of KMP remuneration in mid 2023 that included the external benchmarking of executives to comparator companies. The changes in remuneration are reflective of the Company's inclusion in the S&P ASX200 index, progression from explorer to developer and the laying of foundations for future production. The change in total fixed remuneration for executives is effective from 1 July 2023 as follows:

Name	Position	FAR effective 1 July 2023[(1)]
T Ottaviano	CEO	$900,000
A Smits	COO	$440,887
G Donald	CCO	$353,785
J Latto	CFO	$440,000

(1) Includes Base salary plus superannuation.

The table below represents STI and LTI opportunities as a percentage of FAR for executives for FY2024.

		At Risk	
	Total STI and LTI as % of FAR	Short-Term Incentive as % of FAR	Long-Term Incentive as % of FAR
CEO	165%	40%	125%
COO	105%	35%	70%
CCO	105%	35%	70%
CFO	105%	35%	70%

(e) Remuneration of Key Management Personnel

The following table shows the fixed and variable remuneration for key management personnel.

2023	Short-Term Benefits					Post-Employment Benefits	Long Term Incentives		Total	Proportion of Remuneration Performance Based
	Salary and Fees	Consultancy Fees	Service Rights	Other Amounts(1)	Performance Rights (2)	Superannuation	Options(3)	Performance Rights (2)		
	$	$	$	$	$	$	$	$	$	%
Non-Executive Directors										
T Goyder	157,500	-	-	11,505	-	16,538	-	-	185,543	-
A Cipriano	122,500	-	-	-	-	12,862	-	-	135,362	-
C Williams	70,000	-	-	-	-	7,350	-	-	77,350	-
J Morris(4)	92,500	-	-	-	-	9,712	-	-	102,212	-
S McLeay(5)	98,125	-	-	-	-	10,303	-	-	108,428	-
A Parker(6)	69,375	-	-	-	-	7,284	-	-	76,659	-
S Chadwick(7)	-	-	-	-	-	-	-	-	-	-
Executives			-							
T Ottaviano	746,606	-	-	61,457	518,085	78,394	205,654	1,138,436	2,748,632	68
A Smits	380,091	-	-	41,756	229,674	39,909	-	234,345	925,775	50
G Donald(8)	177,786	-	-	27,837	133,550	17,417	-	94,933	451,523	51
J Latto(9)	230,531	-	-	23,192	-	24,206	-	-	277,929	-
C Hasson(10)	146,677	-	-	14,533	92,603	14,476	-	92,917	361,206	51
Total	**2,291,691**	**-**	**-**	**180,280**	**973,912**	**238,451**	**205,654**	**1,560,631**	**5,450,619**	

2022	Short-Term Benefits					Post-Employment Benefits	Long Term Incentives		Total	Proportion of Remuneration Performance Based
	Salary and Fees	Consultancy Fees	Service Rights	Other Amounts(1)	Performance Rights (2)	Superannuation	Options(3)	Performance Rights (2)		
	$	$	$	$	$	$	$	$	$	%
Non-Executive Directors										
T Goyder	149,886	-	-	4,459	-	14,989	-	-	169,334	-
A Cipriano(12)	85,470	147,500	-	-	-	8,547	-	-	241,517	-
C Williams	64,703	-	-	-	-	6,470	-	-	71,173	-
J Morris(4)	55,710	-	-	-	-	5,571	389,149	-	450,430	86
S McLeay(5)	11,402	-	-	-	-	1,140	-	-	12,542	-
S Chadwick(7)	60,358	56,000	-	-	-	-	-	-	116,358	-
Executives			-							
T Ottaviano	550,126	-	-	50,442	123,281	27,500	556,358	794,334	2,102,041	70
A Smits	296,804	-	-	34,856	55,744	29,680	59,292	59,367	535,743	33
D Richards(11)	79,611	-	-	(3,640)	-	7,362	-	-	83,333	-
C Hasson(10)	255,708	-	-	20,187	42,023	25,571	31,891	44,754	420,134	28
Total	**1,609,778**	**203,500**	**-**	**106,304**	**221,048**	**126,830**	**1,036,690**	**898,455**	**4,202,605**	

(1) *Other amounts, where applicable, includes the cost to the Company of providing time off in lieu, annual leave, long service leave and fringe benefits.*
(2) *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.*
(3) *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.*
(4) *Ms Morris appointed 24 November 2021.*
(5) *Mr McLeay appointed 3 May 2022.*
(6) *Ms Parker appointed 1 October 2022.*

(7) *Mr Chadwick retired 4 July 2022. Up until retirement he received Directors' fees and consulting fees via a consultancy agreement with the company. Amounts were billed based on normal market rates for such consultancy services and were due and payable under normal payment terms.*
(8) *Mr Donald appointed 24 November 2022.*
(9) *Mr Latto appointed 23 December 2022.*
(10) *Mr Hasson resigned 23 December 2022.*
(11) *Mr Richards resigned 24 November 2021. Amounts above do not include unused leave entitlements of $74,535 transferred by way of payment to Minerals 260 Ltd.*
(12) *Mr Cipriano entered into a consultancy agreement with the Company to provide corporate, financial advisory and general support services through a consultancy agreement (as disclosed to ASX on 12 May 2021). Amounts are billed on normal market rates for such consultancy services and are due and payable under normal payment terms. The consultancy agreement was terminated on 31 December 2021.*

(f) Key Management Personnel Shareholdings

The relevant interest of each of the key management personnel in the share capital of the Company was:

	Balance 1 July 2022	Held at Commencement Date	Exercise of Options & Performance Rights	Net Acquisitions/ (Disposals) (1)	Held at Resignation Date	Balance 30 June 2023
	No. Shares					
Non-Executive Directors						
T Goyder	328,533,766	-	-	1,145,000	-	329,678,766
A Cipriano	18,531,343	-	1,000,000	(3,431,343)	-	16,100,000
C Williams	29,767,515	-	-	-	-	29,767,515
J Morris	66,210	-	-	-	-	66,210
S McLeay	160,000	-	-	-	-	160,000
A Parker(2)	-	-	-	-	-	-
S Chadwick(3)	10,047,636	-	-	-	10,047,636	-
Executives	-					
T Ottaviano	1,624,692	-	3,298,062	-	-	4,922,754
A Smits	5,318,079	-	3,256,794	(1,000,000)	-	7,574,873
G Donald(4)	-	-	-	11,500	-	11,500
J Latto(5)	-	-	-	-	-	-
C Hasson(6)	1,618,225	-	-	(500,000)	1,118,225	-

(1) *Acquisitions and disposals refer to shares purchased and sold on the open market.*
(2) *Ms Parker appointed 1 October 2022.*
(3) *Mr Chadwick resigned 4 July 2022.*
(4) *Mr Donald appointed 24 November 2022.*
(5) *Mr Latto appointed 23 December 2022.*
(6) *Mr Hasson resigned 23 December 2022.*

(g) 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 the year:

2023	Balance 1 July 2022	Granted as Remuneration	Grant Date	Options Exercised	Amount paid per share	Held at Date of Resignation	Balance 30 June 2023	Vested – Held
	No.	No.		No.		No.	No.	%
Non-Executive Directors								
T Goyder	-	-	-	-	-	-	-	-
A Cipriano (1)	1,000,000	-	-	(1,000,000)	$0.2979	-	-	-
C Williams	1,000,000	-	-	-		-	1,000,000	100%
J Morris	500,000	-	-	-	-	-	500,000	100%
S McLeay	-	-	-	-	-	-	-	-
A Parker (2)	-	-	-	-	-	-	-	-
S Chadwick (3)	-	-	-	-	-	-	-	-
Executives								
T Ottaviano (4)	5,000,000	-	-	(2,500,000)	-	-	2,500,000	100%
A Smits (5)	3,333,334	-	-	(3,333,334)	-	-	-	-
G Donald (6)	-	-	-	-	-	-	-	-
J Latto (7)	-	-	-	-	-	-	-	-
C Hasson (8)	2,000,000	-	-	-	-	2,000,000	-	-

(1) Exercised 1,000,000 options at $0.2979 each.
(2) Ms Parker appointed 1 October 2022.
(3) Mr Chadwick resigned 4 July 2022.
(4) Exercised 2,500,000 options under the cashless exercise facility available under the Incentive Plan.
(5) Exercised 3,333,333 options under the cashless exercise facility available under the Incentive Plan.
(6) Mr Donald appointed 24 November 2022
(7) Mr Latto appointed 23 December 2022
(8) Mr Hasson resigned on 23 December 2022

Vesting of Options in FY2023

During the year the following KMP options vested:

	Grant Date	No. Options Vested	Vesting Date	Expiry Date
T Ottaviano	10-Feb-21	2,500,000	1-May-23	9-Feb-24

The options had no performance conditions other than service periods.

Performance Rights

During the year 6,483,623 performance rights were issued to KMP and employees. At 30 June 2023, 6,003,358 performance rights with a nil exercise price were on issue to 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:

2023	Balance 1 July 2022	Granted as Remuneration - STI	Granted as Remuneration - LTI	Performance Rights Exercised	Held at date of resignation	Balance 30 June 2023
		Number				
Executives						
T Ottaviano	4,075,466	455,633	1,423,854	1,643,866	-	4,311,087
A Smits	712,385	202,964	405,928	178,096	-	1,143,181
G Donald	-	162,866	386,224	-	-	549,090
J Latto	-	-	-	-	-	-
C Hasson(1)	537,028	161,888	323,776	-	1,022,692	-

(1) Performance rights held by C Hasson at date of resignation were not forfeited. C Hasson remains in the employment of Liontown and is no longer included as a KMP.

Vesting of Rights in FY2023 and Expiry Dates

FY2023 Sign-on Performance Rights

On 1 July 2022, 1,250,000 sign-on performance rights issued on 4 May 2021, vested. The performance rights were issued to Mr Ottaviano the Managing Director and Chief Executive Officer when he commenced with the Company as a sign-on incentive. The performance rights vested for nil consideration. The remaining 1,250,000 performance rights (expiring 1 July 2024) vested on 1 July 2023 for nil consideration.

STI Performance Rights – FY2023 Measurement

983,351 STI performance rights (expiring 30 June 2025) issued to KMP in November 2022 had a measurement date of 30 June 2023 with vesting subject to Board approval upon an assessment of the non-market conditions, as outlined below. The number of performance rights issued to KMP was a stretch target of 150% of the base incentive. In July 2023, the Board assessed the performance against the criteria and determined some of the performance conditions had been achieved and awarded 82% vesting of the base incentive performance rights (55% of the total issued). The rights vested for nil consideration.

Performance Conditions Category	Performance Conditions Assessed Against Board Criteria Relating To:	Target Percentage Upon Vesting	Awarded Percentage	Vesting Outcome
Financial	Effective capital cost management of FY23 Budget. Tracking of costs against expected costs for work completed. Critical Commercial contracts for Project in place and with 'good' commercial outcomes.	20%	10%	The Board assessed the Financial outcomes and determined: (1) the Kathleen Valley Lithium Project has been subject to cost increases as seen across the economy. The revised capital estimate is $895m (inc $40m contingency). (2) Critical commercial contracts are in place with 'good' commercial outcomes.
Project Delivery	Kathleen Valley Lithium Project development on approved schedule. Earned value for the Lycopodium scope of works as at June 2023.	25%	20%	The Board assessed the Project Delivery outcomes and determined: (1) The Kathleen Valley Lithium project remains on schedule to deliver first production in mid 2024. (2) Earned value for the Lycopodium scope was only 10% under target at the date of assessment. Earned values expected to remain on target over the remainder of the project life.
Health & Safety	Total Recordable Injury Frequency Rate.	15%	14%	The Board assessed the Health & Safety outcomes and determined: (1) No lost time injuries occurred during FY2023. (2) The TRIFR for 2023 for Jan to June 2023 was 7.69.
ESG	Decarbonisation strategy developed and approved. Renewable Power.	10%	10%	The Board assessed the Decarbonisation and Renewable Power strategy outcomes and determined: (1) Decarbonisation strategy was prepared and reviewed. (2) Solar farm on schedule.
People	Resourcing / Recruitment targets.	5%	5%	The Board assessed the People outcomes and determined the recruitment and on-boarding of

Performance Conditions Category	Performance Conditions Assessed Against Board Criteria Relating To:	Target Percentage Upon Vesting	Awarded Percentage	Vesting Outcome
				required workforce is progressing within target.
Strategy & Growth	Grow Reserve estimate at Kathleen Valley. Downstream Processing.	5%	3%	The Board assessed the Reserve and Downstream outcomes and determined: (1) Mine planning progressed, however, Reserve estimate upgrade not completed prior to the end of FY2023. (2) Downstream strategy and PFS test work completed.
Individual Performance	Personal Metric Outcomes.	20%	20%	Vesting outcomes specific to individual goals and objectives.

LTI Performance Rights

2,118,660 LTI performance rights issued to KMP in May 2021 with an expiry of 30 June 2025 have a measurement date of 30 June 2024 with vesting to occur for nil consideration based upon an assessment of the non-market conditions outlined below, subject to Board discretion.

Performance Conditions Category	Performance Conditions Will Be Assessed Against Board Criteria Relating To:	Max Percentage Upon Vesting
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%
Strategic and Commercial Achievements	(i) Offtake arrangements; (ii) Downstream opportunities; (iii) Project funding; and (iv) Project advancement. Board discretion to be applied in allocating this incentive.	35%
Shareholder Return Milestones	Total Shareholder Return (TSR) will be assessed on both an Absolute and Relative basis. Absolute Total Shareholder Return (TSR) – 25% Allocation • 0%, if Absolute TSR <50% • Pro-rata, if Absolute TSR between 50% - 100% • 100% allocation, if Absolute TSR >100% Relative Total Shareholder Return* (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. *Relative to a comparator group of companies.	50%

2,479,291 LTI performance rights issued to KMP in November 2022 with an expiry of 30 June 2027 have a measurement date of 30 June 2025 with vesting to occur for nil consideration based upon an assessment of the non-market conditions outlined below over the period 01 July 2022 to 30 June 2025, subject to Board discretion.

Performance Conditions Category	Performance Conditions Will Be Assessed Against Board Criteria Relating To:	Max Percentage Upon Vesting
ESG	FY25 percentage of renewable power and FY25 carbon emissions (aggregate emissions per tonne of concentrate).	10%
Strategic and Commercial Achievements	Costs (FY25 C1 Operative cost FOB, adjusted for CPI and uncontrollable costs), Product sold in FY25 and Product Quality performance. Downstream opportunities, grow mineral resource estimate for the Kathleen Valley Lithium Project and the Buldania Lithium Project and pursue value accretive opportunities in battery minerals.	40%
Shareholder Return Milestones	Total Shareholder Return (TSR) will be assessed on both an Absolute and Relative basis. Absolute Total Shareholder Return (TSR) – 25% Allocation • 0%, if Absolute TSR <50% • Pro-rata, if Absolute TSR between 50% - 100% • 100% allocation, if Absolute TSR >100% Relative Total Shareholder Return* (TSR) – 25% Allocation • Below 50th percentile, 0% allocation • Between 50th and 75th percentile, pro-rata, allocation • At or above 75th percentile, 100% of allocation *measured against the S&P/ASX 200 Resources (XJR)	50%

60,491 LTI performance rights issued to KMP in June 2023 with an expiry of 31 March 2025 have a measurement date of 31 December 2024 with vesting to occur for nil consideration. The performance rights vest upon continued service and do not have attached performance hurdles.

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 2023 are detailed below:

	Instrument	No. Instruments	Grant Date	% Vested In Year	% Forfeited in Year	Financial Vesting Year
T Ottaviano	Options	2,500,000	10-Feb-21	100%	-	2023
T Ottaviano	Performance Rights	2,500,000	4-May-21	50%	-	2023 and 2024
T Ottaviano	Performance Rights	393,866	4-May-21	100%	-	2023
T Ottaviano	Performance Rights	1,181,600	4-May-21	-	-	2025
T Ottaviano	Performance Rights	455,633	21-Nov-22	-	-	2023
T Ottaviano	Performance Rights	1,423,854	21-Nov-22	-	-	2025
A Smits	Performance Rights	178,096	4-May-21	100%	-	2023
A Smits	Performance Rights	534,289	4-May-21	-	-	2025
A Smits	Performance Rights	202,964	21-Nov-22	-	-	2023
A Smits	Performance Rights	405,928	21-Nov-22	-	-	2025
G Donald	Performance Rights	162,866	21-Nov-22	-	-	2023
G Donald	Performance Rights	325,733	21-Nov-22	-	-	2025
G Donald	Performance Rights	60,491	30-June-23	-	-	2025
C Hasson	Performance Rights	134,257	4-May-21	100%	-	2023
C Hasson	Performance Rights	402,771	4-May-21	-	-	2025
C Hasson	Performance Rights	161,888	21-Nov-22	-	-	2023
C Hasson	Performance Rights	323,776	21-Nov-22	-	-	2025

(h) Employment Contracts

Remuneration arrangements for executives are formalised in employment agreements. Details of these contracts are provided below.

Name	Employment Contract Duration	Notice Period	Termination Provisions
T Ottaviano(1)	Unlimited	6 months by the Company and employee	6 months in the event of a material change
A Smits	Unlimited	3 months by the Company and employee	6 months in the event of a material change
G Donald	Unlimited	3 months by the Company and employee	6 months in the event of a material change
J Latto	Unlimited	3 months by the Company and employee	6 months in the event of a material change

(1) The employment contract for T Ottaviano includes a payment of 12 months in the event of a change on control.

(i) 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 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 Chadwick provided general metallurgical and technical advisory services to the Company through a consultancy agreement. There is no fixed remuneration component under the consultancy agreement for these services and those services are provided on an "as required basis" at a rate of $2,000 per day. Either party may terminate the agreement by providing one month's notice. Consultancy fees are due and payable under normal payment terms. For the reporting period, the amount incurred was nil (2022: $56,000) and the amount unpaid as at 30 June 2023 was nil (2022: $5,000).

Mr Cipriano provided corporate, financial advisory services and general support services to the Company through a consultancy agreement (as disclosed to ASX on 12 May 2021). There was no fixed remuneration component under the consultancy agreement for these services and those services were provided on an "as required basis" at a rate of $2,500 per day. Consultancy fees were due and payable under normal payment terms. The consultancy arrangement was terminated effective 31 December 2021. For the reporting period the amount incurred was nil (2022: $147,500) and the amount unpaid as at 30 June 2023 was nil (2022: nil).

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 $84,830 (2022: $1,040) and the amount unpaid as at 30 June 2023 was nil (2022: nil).

End of the Audited Remuneration Report.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 63 and forms part of the Directors' Report for the year ended 30 June 2023.

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 29th day of September 2023

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

29 September 2023

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 2023, 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 sincerely

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Other income	5(a)	496	1,314
Gain on demerger	5(a), 17	-	90,960
Exploration and evaluation expenditure expensed	5(d)	(11,670)	(38,686)
Corporate and administration expenses	5(b)	(18,042)	(10,369)
Share based payments	8	(4,522)	(3,156)
(Loss)/Profit before financing and tax		**(33,738)**	**40,063**
Net financing income	5(e)	11,333	1,284
(Loss)/Profit before income tax		**(22,405)**	**41,347**
Income tax benefit/(expense)	6	192	(492)
Net (loss)/profit after tax		**(22,213)**	**40,855**
Other comprehensive income/(loss) Items that will not be reclassified to profit or loss			
Net gain/(loss) on fair value of financial assets, net of tax		332	(1,268)
Total comprehensive (loss)/income for the year attributable to owners of the Company		**(21,881)**	**39,587**
Basic (loss)/earnings per share (dollars per share)	7	$(0.010)	$0.020
Diluted (loss)/earnings per share (dollars per share)	7	$(0.010)	$0.020

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 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	9	305,438	453,076
Trade and other receivables	10	7,413	1,438
Financial assets	11	11,409	-
Total current assets		324,260	454,514
Non-current assets			
Financial assets	11	1,437	558
Property, plant and equipment	12	329,459	26,985
Other assets	13	-	5,001
Total non-current assets		330,896	32,544
Total assets		655,156	487,058
Current liabilities			
Trade and other payables	14	73,489	19,464
Lease liabilities		1,210	178
Provisions	15	1,094	297
Interest bearing loans and borrowings	16	42	-
Total current liabilities		75,835	19,939
Non-current liabilities			
Interest bearing loans and borrowings	16	115,192	-
Lease liabilities		4,829	53
Provisions	15	9,564	219
		129,585	272
Total liabilities		205,420	20,211
Net assets		449,736	466,847
Equity			
Share capital	17	576,734	576,219
Accumulated losses		(133,226)	(112,683)
Reserves	18	6,228	3,311
Total equity		449,736	466,847

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 2023

	Issued Capital $'000	Accumulated Losses $'000	Share-Based Payments Reserve $'000	Investment Revaluation Reserve $'000	Foreign Currency Translation Reserve $'000	Total Equity $'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**

	Issued Capital $'000	Accumulated Losses $'000	Share-Based Payments Reserve $'000	Investment Revaluation Reserve $'000	Foreign Currency Translation Reserve $'000	Total Equity $'000
As at 1 July 2021	**77,922**	**(68,469)**	**2,747**	**1,148**	**139**	**13,487**
Profit for the year	-	40,855	-	-	-	40,855
Other comprehensive gain/(loss)	-	-	-	(1,268)	-	(1,268)
Total comprehensive gain/(loss) for the year	**-**	**40,855**	**-**	**(1,268)**	**-**	**39,587**
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	501,577	-	-	-	-	501,577
Share-based payments	820	-	2,336	-	-	3,156
Transfer between equity items	-	1,791	(1,791)	-	-	-
Demerger of Minerals 260 Ltd	(4,100)	(86,860)	-	-	-	(90,960)
As at 30 June 2022	**576,219**	**(112,683)**	**3,292**	**(120)**	**139**	**466,847**

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 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Cash paid to suppliers and employees		(15,846)	(8,403)
Payments for exploration and evaluation		(11,450)	(9,136)
Interest received		10,827	783
Government grants and incentives		117	-
Acquisition of royalty rights		-	(30,250)
Net cash used in operating activities	9	(16,352)	(47,006)
Cash flows from investing activities			
Payments for plant and equipment		(232,654)	(13,274)
Payment for financial assets		(11,416)	-
Minerals 260 demerger and IPO costs		-	(680)
Net cash used in investing activities		(244,070)	(13,954)
Cash flows from financing activities			
Proceeds from borrowings		118,749	-
Repayment of borrowings		(6)	-
Borrowing costs paid		(5,213)	-
Proceeds from issue of shares		298	516,895
Payment for share issue costs		(50)	(15,319)
Repayment of lease liabilities		(880)	(68)
Interest paid		(114)	(17)
Net cash from financing activities		112,784	501,491
Net (decrease)/increase in cash and cash equivalents		(147,638)	440,531
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at the beginning of the financial year		453,076	12,545
Cash and cash equivalents at the end of the financial year	9	305,438	453,076

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 2023

For the year ended 30 June 2023

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
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 2023 was authorised for issue on 28 September 2023.

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 20 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 20.

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 2022/519.

(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:

Other income (note 5)	- fair value recognition on the gain on demerger of Minerals 260 Ltd
Share based payments (note 8)	- measurement of share based payment transactions
Property, plant and equipment (note 12)	- judgements in assessing the viability and timing of assets for capitalisation - judgements in relation to lease extension options
Employee benefits (note 15)	- measurement of long service leave provisions
Rehabilitation liability (note 15)	- 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 foreign currency translation reserve (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) Adoption of new and revised Accounting Standards

In the year ended 30 June 2023, 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 2020-1 and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – effective date 1 January 2023;
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates – effective date 1 January 2023;
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction – effective date 1 January 2023;
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants – effective date 1 January 2023;
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements – effective date 1 January 2024;

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between Investor and its Associate or Joint Venture – effective date 1 January 2025.

(f) 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 2023 of $22.2 million (30 June 2022: $40.9 million net profit after tax), and experienced net cash outflows from operating and investing activities of $261.4 million (30 June 2022: outflow of $70.0 million).

As at 30 June 2023 the Group held cash and cash equivalents of $305.4 million (30 June 2022: $453.1 million), had an excess of current assets over current liabilities of $248.4 million (30 June 2022: $434.6 million), and had contractual capital commitments for the acquisition of property, plant and equipment for the Kathleen Valley Lithium Project (the Project) of $211.6 million (30 June 2022: $62 million).

In addition to the Group's $305.4 million in cash and cash equivalents as at 30 June 2023, it also has a facility with Ford Motor Company for $300 million, of which $181.3 million was undrawn and available for draw down as at 30 June 2023. As at 31 August 2023, the Group's cash and cash equivalents was $338.5 million, which includes proceeds from the draw down of an additional $128.6 million under the Ford facility, with $52.7 million available for drawdown under the Ford facility as at 31 August 2023.

On 20 January 2023, the Group announced a revised estimate of the project capital costs through to first production of $895 million (an increase of $350 million). This revised estimate was a result of optimisation and scope adjustments coupled with continued macro-level, and industry-wide cost escalation, along with additional expenditure associated with delivering a 20% increase in Project throughput capacity to 3Mtpa.

On 29 September 2023, the Group announced an additional increase of $56 million in relation to the estimated project capital cost through to first production, due largely to further macro-level, and industry-wide cost escalation. This further increase takes the revised estimate for project capital costs through to first production to $951 million (including contingencies of $25 million).

The directors have prepared a cash flow forecast which indicates minimum additional funding of $450 million will be required progressively over the period commencing from December 2023, to fund the remaining development costs associated with the Project, and to fund the Group's working capital requirements through to the point in time that the Group commences generating positive net cash flows, which is currently forecast to occur in Q4 calendar year 2024 (with first concentrate production forecast to commence mid calendar year 2024). Whilst not the Group's current expectation, should there be a delay in achieving first concentrate production or the Group starting to generate positive net cash flows, the minimum funding requirement would be in excess of the amount noted above.

On 4 September 2023 the Group announced that Albemarle Corporation had made a revised conditional non-binding indictive proposal to acquire all of the ordinary shares outstanding in Liontown via a scheme of arrangement (Indicative Proposal).

Prior to receipt of this Indicative Proposal, Liontown was in advanced stage discussions with various parties to secure additional sources of funding for the Project.

Discussions with respect to securing the required additional funding have continued to progress following the announcement of the Indicative Proposal, and the subsequent agreement to grant Albemarle an exclusive period to undertake due diligence to enable it to put forward a binding proposal, however completion of these fund raising activities has been deferred pending completion of the due diligence.

On completion of the due diligence, should Albemarle not make a binding offer to acquire all of Liontown's ordinary shares, based on the advanced nature of fund raising activities from additional sources prior to announcement of the Indicative Proposal, and the further discussions with various parties through to the date of approval of this report, the Directors are confident that the additional funding will be secured in accordance with the required timeline noted above, allowing development activities to progress as planned.

The directors reasonably believe that they will achieve the matters set out above and therefore that the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the additional funding above, there is a material uncertainty that may cast 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 and gain on demerger

	2023 $'000	2022 $'000
Other income [(1)]	496	1,314
Gain on demerger [(2)]	-	90,960
	496	92,274

(1) Includes sale of the Toolebuc Vanadium Project tenements to Currie Rose Resources Inc for $0.3m (refer note 11).
(2) Fair value gain on demerger of Minerals 260 Limited (refer note 17).

Accounting policy

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

(b) Corporate and administration expenses

	2023 $'000	2022 $'000
Administration and general costs	8,212	3,446
Business development costs	-	2,017
Depreciation and amortisation	322	226
Personnel expenses (5(c))	9,418	4,000
Minerals 260 demerger and IPO costs	-	680
Currency (Gain) / Loss	90	-
	18,042	10,369

(c) Personnel expenses

	2023 $'000	2022 $'000
Directors' fees, employee wages and salaries	7,299	3,199
Other associated personnel expenses	1,863	608
Leave entitlements	256	193
	9,418	4,000

(d) Exploration and evaluation expenditure

	2023 $'000	2022 $'000
Exploration Expenditure		
Kathleen Valley, WA	1,042	3,962
Buldania, WA	5,905	1,549
Other [(1)]	687	319
	7,634	5,830

	2023 $'000	2022 $'000
Feasibility Studies and evaluation		
Kathleen Valley, WA – Expansion and other evaluation	4,036	-
Kathleen Valley, WA – Definitive Feasibility Study and other evaluation	-	2,606
	4,036	2,606
Royalty Acquisition [2]	-	30,250
	11,670	38,686

(1) *During FY2022, the Company demerged the subsidiary Minerals 260 Limited which held the Moora Gold-Nickel-Copper-PGE Project, a right to earn an interest in the Koojan JV Project, Dingo Rocks Project and the Yalwest Project. Other includes amounts related to these projects prior to demerging.*

(2) *In August 2021 the Company completed an agreement to terminate the lithium royalty (that covered the majority of the Kathleen Valley Lithium Project) owned by Ramelius Resources Ltd for $30.25M consideration in cash.*

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) Net financing income

	2023 $'000	2022 $'000
Interest income	11,564	1,302
Interest expense	(231)	(18)
	11,333	1,284

Accounting policy

Net financing costs comprise interest receivable on funds invested, finance costs associated with lease liabilities for right-of-use assets and interest expense on a government funded bond facility which the Company is progressively cash backing. Please refer to note 11 for further information regarding the government funded bond facility.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income as it accrues, using the effective interest method. The interest expense component of lease liabilities is recognised in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

6. Income Tax

Components of income tax as follows:

	2023 $'000	2022 $'000
Current tax	-	-
Deferred tax	192	(492)
Total income tax benefit/(expense) reported in the statement of profit of loss and other comprehensive income	192	(492)

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

	2023 $'000	2022 $'000
Profit/(loss) before tax	(22,405)	41,347
Income tax benefit using the domestic corporation tax rate of 30% (2022 : 30%)	(6,721)	12,404
Decrease in income tax benefit due to:		
Non-deductible expenses	1,366	954
Non-assessable income	-	(27,288)
Deferred tax assets and liabilities not recognised	5,355	13,930
Derecognition of tax assets	-	(492)

	2023 $'000	2022 $'000
Recognised tax losses to offset DTL on financial assets	192	-
Income tax benefit/(expense) on loss before tax	192	(492)

Recognised deferred tax balances

	2023 $'000	2022 $'000
Deferred tax assets comprise:		
Revenue tax losses recognised	655	-
Deferred tax liabilities comprise:		
Investment in Equity Securities	(192)	-
Other deferred tax liabilities	(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 $0.7 million (2022: nil) were used to net off deferred tax liabilities including $0.2 million (2022: nil) 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:

	2023 $'000	2022 $'000
Assets		
Revenue losses available to offset against future taxable income	24,249	16,982
Other deferred tax assets	10,049	11,773
	34,298	28,755
Liabilities		
Other deferred tax liabilities	-	(142)
	-	(142)

The unrecognised benefit from temporary differences on capital items amounts to $2,898,298 (2022 $3,924,412).

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 2023 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 2023.

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

	2023	2022
Profit/(loss) attributable to ordinary shareholders for basic earnings ($'000)	(22,213)	40,855
Weighted average number of ordinary shares on issue at the end of the year ('000)	2,197,047	2,061,199
Weighted average number of ordinary shares (diluted) on issue at the end of the year ('000)	2,197,047	2,076,969
Basic (loss)/earnings per share (dollars per share)	$(0.010)	$0.020
Diluted (loss)/earnings per share (dollars per share)	$(0.010)	$0.020

Accounting policy

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

4,000,000 options (2022: 500,000 options) and 10,648,835 performance rights (2022: nil) 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 2021 AGM.

The total expenditure recognised in the consolidated statement of profit and loss and comprehensive income is $4,522,118, (2022: $3,155,518).

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 2023 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 (1) $	Fair Value at Grant Date $	Vesting Date
O20	1,000,000	25-Nov-20	25-Nov-23	0.2979	0.1549	25-Nov-20
O23	2,500,000	10-Feb-21	9-Feb-24	0.5779	0.2180	1-May-23
O24	500,000	24-Nov-21	23-Nov-24	2.4500	0.7783	24-Nov-21
TOTAL	4,000,000					

(1) As a result of the Minerals 260 Demerger and as announced on 26 November 2021, the option exercise price of 12,333,334 options on issue at the date of the demerger was reduced by $0.0021 per option.

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

	Weighted Average Exercise Price 2023 $	Number of Options 2023	Weighted Average Exercise Price 2022 $	Number of Options 2022
Outstanding at beginning of the year	0.411	12,833,334	0.233	36,900,000
Granted during the period	-	-	2.450	500,000
Exercised during the period	0.261	(8,833,334)	0.185	(24,566,666)
Lapsed/expired during the period	-	-	-	-
Adjustment to exercise price for Minerals 260 Demerger (1)	-	-	(0.002)	-
Outstanding at the end of the year	0.742	4,000,000	0.411	12,833,334
Exercisable at the end of the year	0.742	4,000,000	0.370	10,333,334

(1) As a result of the Minerals 260 Demerger and as announced on 26th November 2021, the option exercise price of 12,333,334 options on issue at the date of the demerger was reduced by $0.0021 per option.

The weighted average contractual life remaining as at 30 June 2023 is 0.66 years (2022: 1.08 years).

The weighted average fair value of options granted during the year was nil (2022: $0.778).

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	2023		
	Exercised Number	Exercise Date	Share Price at Exercise Date $
O17	2,000,000	4 May 2023	2.75
O18	3,333,334	11 Aug 2022	1.80
O20	1,000,000	18 Aug 2022	1.71
O22	2,500,000	9 Feb 2023	1.46
TOTAL	8,833,334		

The fair value of the options is estimated at the grant date using a Black Scholes option-pricing model considering the terms and conditions upon which the options were granted. Refer to the table below for weighted average inputs to the Black Scholes option-pricing model:

	2023	2022
Share price at grant date (weighted average)	-	$1.805
Exercise price (weighted average)	-	$2.45
Expected volatility (weighted average)	-	78%
Expected life (weighted average years)	-	3
Vesting period (weighted average years)	-	Nil
Expected dividends	-	Nil
Risk-free interest rate (weighted average)	-	0.99%

Performance rights issued

During the 2023 financial year 6,483,623 performance rights were issued. As at 30 June 2023, a total of 10,648,835 performance rights were on issue to some 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 2023

Grant date	Opening Balance	Granted	Vested	Exercised	Outstanding at 30 June 2023		Share Price at Date of grant ($)
					Unvested	Vested	
4 May 2021	6,386,948	-	2,221,736	2,221,736	4,165,212	-	0.400
21 Nov 2022	-	4,633,845	-	-	4,633,845	-	2.030
9 Feb 20023	-	791,065	-	-	791,065	-	1.455
30 June 2023	-	1,058,713	-	-	1,058,713	-	2.830
Total	6,386,948	6,483,623	2,221,736	2,221,736	10,648,835	-	

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
PR5	1,351,444	21 Nov 2022	30 June 2025	-	2.007	30 June 2023
PR5	279,199	9 Feb 2023	30 June 2025	-	1.498	30 June 2023
PR6	3,282,401	21 Nov 2022	30 June 2027	-	2.007	30 June 2025
PR6	511,866	9 Feb 2023	30 June 2027	-	1.498	30 June 2025
PRR	1,058,713	30 June 2023	31 Mar 2025	-	2.852	31 Dec 2024
Total	**6,483,623**					

Other share-based payments

Shares

During the 2023 financial year, the Company issued 184,188 shares to employees. 131,454 shares were issued under the Incentive Plan to employees in August 2022 in lieu of cash bonuses for the 2022 financial year, with a fair value of $182,971. A further 52,734 shares were issued as a sign on incentive in February 2023 with a fair value of $84,256.

During the 2022 financial year the Company issued 500,000 shares to a consultant of the Company as consideration for work performed. The fair value of the shares issued was $820,000.

Options

During the financial year the company issued nil (2022: nil) unlisted share options that were issued outside the Incentive Plan (Non-Incentive Plan).

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.

The number and weighted average exercise prices of Non-Incentive Plan options is as follows:

	Weighted Average Exercise Price 2023 $	Number of Options 2023	Weighted Average Exercise Price 2022 $	Number of Options 2022
Outstanding at beginning of the year	-	-	0.035	1,500,000
Granted during the period	-	-	-	-
Exercised during the period	-	-	0.035	(1,500,000)
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

The following Non-Incentive Plan share options were exercised during the year:

Series	2023			2022		
	Exercised Number	Exercise Date	Share Price at Exercise Date $	Exercised Number	Exercise Date	Share Price at Exercise Date $
O14	-	-	-	500,000	6-Jul-21	0.728
O14	-	-	-	500,000	29-Jul-21	0.750
O14	-	-	-	500,000	2-Aug-21	0.812
Total	-			1,500,000		

Accounting policy

The cost of equity-settled transactions with employees and KMP and those providing similar services are measured by reference to the fair value of the share options or performance rights at grant date.

In valuing equity-settled transactions, account is taken of any performance conditions, conditions linked to the price of the shares of the Company (market conditions) and non-market conditions. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the number of awards that, in the opinion of the Directors, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction arising from the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and rights is reflected as additional share dilution in the computation of earnings per share.

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 entity.

9. Cash and Cash Equivalents

	2023 $'000	2022 $'000
Cash at bank[1]	130,438	28,057
Term deposits	175,000	425,018
Petty cash	-	1
	305,438	453,076

(1) $970,080 of cash held at 30 June 2023 relates to supplier retentions, held under the Building and Construction Industry (Security of Payment) Act 2021.

Reconciliation of profit/(loss) after income tax to net cash flows from operating activities:

	2023 $'000	2022 $'000
Profit/(loss) for the year	(22,213)	40,855
Depreciation and amortisation	322	226
Interest expense	231	18
Gain on demerger, net of costs	-	(90,280)
(Gain) from disposal of tenement	(349)	-
Share-based payments	4,522	3,156
Loss on asset disposal	-	1
	(17,487)	(46,024)
Changes in operating assets and liabilities:		
(Increase) in trade and other receivables	(4,547)	(1,152)
Increase/(decrease) in trade and other payables	5,065	(439)
(Increase)/decrease in deferred taxes	(192)	492
Increase in provisions	809	117
Net operating cash flows	(16,352)	(47,006)

Non-cash and financing activities

During the year the Company made additions of $6,507,973 to right-of-use assets gross of lease incentives received of $1,439,178 (2022: $222,614).

Changes in liabilities arising from financing activities

	Lease Liability $'000
Balance at 30 June 2021	76
Additions	223
Interest expense	17
Payments	(85)
Balance at 30 June 2022	231
Additions	6,508
Interest expense	180
Payments	(880)
Balance at 30 June 2023	6,039

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	2023 $'000	2022 $'000
Trade and other receivables [(1)]	7,048	1,112
Prepayments	365	326
	7,413	1,438

(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	2023 $'000	2022 $'000
Bank and other guarantees	11,409	-
	11,409	-

Non-current – Financial assets	2023 $'000	2022 $'000
Investment in equity securities	1,352	480
Other financial assets	85	78
	1,437	558

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 40,000,000 shares in Lachlan Star Limited (ASX: LSA) in April 2021 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 2023.

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 2023.

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 18). The financial asset is level 1 in the fair value measurement hierarchy.

Bank & Other Guarantees

During the year, 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 $10 million in an interest bearing account with EFA.

12. Property, Plant and Equipment

2023	Mine Properties $'000	Plant and equipment $'000	Right-of-use assets $'000	Assets under construction $'000	Total $'000
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**
2022					
Cost	186	661	369	26,178	27,394
Accumulated depreciation	-	(188)	(221)	-	(409)
Net book value	**186**	**473**	**148**	**26,178**	**26,985**
Opening net book value	-	181	61	-	242
Additions	186	394	223	26,178	26,981
Disposals	-	(12)	-	-	(12)
Depreciation charge	-	(90)	(136)	-	(226)
Net book value	**186**	**473**	**148**	**26,178**	**26,985**

At 30 June 2023 the Group had outstanding contractual capital commitments of $211.6 million (2022: $62.0 million) which are expected to be settled prior to 30 June 2024.

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.

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.

Development expenditure includes the direct costs of construction, pre-production costs and qualifying borrowing costs incurred during the construction phase. During the year, $0.04 million of borrowing costs and $1.5 million of interest were capitalised into Assets under construction (refer note 16). 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.

13. Other Assets

	2023 $'000	2022 $'000
Borrowing costs	-	5,001

Borrowing costs relate to the $300 million debt facility the Company executed in late June 2022 with the Ford Motor Company. The facility was not available for use as at 30 June 2022. The first tranche of facility funding was drawn down in April 2023 and the borrowing costs were transferred to offset borrowing liabilities on the consolidated statement of financial position. The borrowing costs will be amortised over the term of the debt facility (refer note 16).

Accounting policy

Borrowings are initially measured at fair value less any directly attributable borrowing costs. Subsequent to initial recognition, these liabilities are measured and amortised at cost using the effective interest method.

Equity and Liabilities

14. Trade and Other Payables

	2023 $'000	2022 $'000
Trade payables	2,765	403
Accrued expenses	69,180	18,857
Other payables	1,544	204
	73,489	19,464

Accounting policy

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

15. Provisions

	2023 $'000	2022 $'000
Current		
Annual leave	1,089	292
Other accrued employee entitlements	5	5
	1,094	297
Non-Current		
Restoration and rehabilitation	9,520	186
Provision for long service leave	27	18
Other provisions	17	15
	9,564	219

Reconciliation of rehabilitation and restoration costs:

	2023 $'000	2022 $'000
Opening book value	186	-
Revision of provision during the year	9,334	186
Expenditure on rehabilitation and restoration	-	-
Discount unwound	-	-
	9,520	186

Accounting policy

Liabilities for employee benefits for annual leave and other current entitlements represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date, including related on-costs.

The Group's obligation in respect of long-term employee benefits such as long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value using corresponding government bond yields as a discount rate.

Provision for rehabilitation and restoration costs include the dismantling and removal of plant, equipment and other structures, rehabilitation of the site as required by mining permits granted and other waste removal. The provision is calculated on disturbed areas at reporting date and is determined using estimates of future costs. Estimates for future rehabilitation cash flows are discounted to their present value.

Rehabilitation and restoration costs are recognised in full at present value as a non-current liability and a corresponding asset is recognised for the same value. The capitalised asset is amortised over the life of the project. The provision for rehabilitation and restoration costs are increased over time as the discounted present value is unwound and expensed as a finance cost. The discount rate used to determine the present value is the Australian risk free rate which approximates the estimated time period for when the majority of future rehabilitation costs are expected to be incurred.

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 extend, 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 4.25% per annum

16. Interest Bearing Loans and Borrowings

	2023			2022		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
Secured						
Debt Facility	-	115,082	115,082	-	-	-
Other Loans	42	110	152	-	-	-
Total Borrowings	42	115,192	115,234	-	-	-

Reconciliation of interest bearing loans and borrowings:

	Debt Facility $'000	Other Loans $'000	Total $'000
Balance at 30 June 2021	-	-	-
Additions	-	-	-
Interest	-	-	-
Payments	-	-	-
Borrowing Costs	-	-	-
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

Accounting policy

Borrowings are initially recognised at fair value, net of borrowing costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of borrowing costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest rate method. If the proceeds of the loan have been deployed for project development, the difference between the proceeds (net of borrowing costs) and the redemption amount is capitalised to the relevant asset using the effective interest rate method. Fees paid on establishment of loan facilities are recognised as borrowing costs of the loan and are amortised over the repayment period of the facility.

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 terms of the Ford debt facility are as follows:

- Total debt facility of up to $300 million.
- Draw down condition of minimum spend on Kathleen Valley Lithium Project.
- 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.

On 4th April 2023, the first draw down of the facility was made of $118.7 million. $5.2 million of borrowing costs were reclassified from Other Assets to Borrowings during the year. Using the effective interest rate method, $0.04 million of borrowing costs and $1.5 million of interest was amortised from 4th April to 30 June 2023 and capitalised into Asset Under Construction.

17. Capital and Capital Management

Ordinary shares on issue:

	2023		2022	
	No. ('000)	$'000	No. ('000)	$'000
On issue at the beginning of the year	2,192,225	576,219	1,819,110	77,922
Rights issues and placements (1) (2)	-	-	341,147	501,999
Issue of shares for unlisted options (3)	7,937	298	23,648	1,993
Issue of shares (share purchase plan) (4)	-	-	7,820	12,903
Issue of shares for performance rights (7)	1,909	-	-	-
Issue of shares to employees (incentive plan) (8)	184	267	-	-
Issue of shares for consulting services (5)	-	-	500	820
Less reduction in share capital (6)	-	-	-	(4,100)
Less share issue costs	-	(50)	-	(15,318)
Movement during the year	10,030	515	373,115	498,297
On issue at the end of the year	**2,202,255**	**576,734**	**2,192,225**	**576,219**

(1) *On 22 July 2021, the Company completed a placement to raise $52 million (before costs) by issuing 68,420,000 fully paid ordinary shares at an issue price of $0.76 per share.*

(2) *On 7 December 2021, the Company completed a placement to raise $450 million (before costs) by issuing 272,727,273 fully paid ordinary shares at an issue price of $1.65 per share.*

(3) *In FY2023, 7,833,334 options were exercised on a cashless basis for 6,936,817 ordinary shares. 1,000,000 additional options were exercised with an exercise price of $0.2979 per share. In FY2022, 12,091,666 options were exercised on a cashless basis for 9,673,401 ordinary shares.*

(4) *On 4 February 2022, the Company completed a Share Purchase Plan to raise $12.9 million by issuing 7,819,543 fully paid ordinary shares at an issue price of $1.65 per share.*

(5) *5.The shares were recognised as share-based payments and were expensed during the year.*

(6) *Refer to the note below and the announcement dated 26 November 2021 for further information regarding reduction in share capital in relation to the demerger of Minerals 260 Limited.*

(7) *In FY2023, 1,909,383 performance rights vested and were issued to KMP and other employees. The shares were issued for nil consideration.*

(8) *In FY2023, 184,188 shares were issued to employees in lieu of cash bonuses under the Incentive Plan. The shares were issued for nil consideration and were recognised as share based payments and expensed during the year.*

Demerger of Minerals 260 Limited

On 1 October 2021, by way of an in-specie distribution, the Company completed the demerger of Minerals 260 Limited (a wholly owned subsidiary). The demerger was undertaken to divest the non-lithium exploration assets in Western Australia. Projects divested include Moora, Koojan JV, Dingo Rocks and Yalwest.

The fair value of Minerals 260 at the date of demerger was determined to be of $90.96 million calculated using the volume weighted average price (VWAP) of Mineral 260s' shares as traded on the ASX over the first five trading days after the IPO date ($0.5685) multiplied by the number of Mineral 260s' shares on initial listing (160,000,000). The demerger has no tax impact for the Group and the demerged assets were carried at zero value resulting in the fair value being equal to the gain on demerger.

The demerger distribution is accounted for as a reduction in equity, split between a reduction in share capital of $4.10 million and a reduction in accumulated losses (Demerger Dividend) of $86.86 million. The amount treated as a reduction in share capital has been calculated by reference to the market value of Mineral 260 Limited's shares and the market value of the Company's shares post demerger. The difference between the fair value and the capital reduction amount is the Demerger Dividend.

Refer to the announcement dated 26 November 2021 for further information regarding the Australian Tax Office Class Ruling 2021/81 and reduction in share capital in relation to the demerger of Minerals 260 Limited.

Accounting policy

Issued share capital is recognised at the fair value of the consideration received by the Company. Any borrowing costs arising on the issue of ordinary shares are recognised, net of tax, directly in equity as a reduction of the share proceeds received.

Ordinary shares entitle the holder to participate in dividends in proportion to the number of and amounts paid on the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll, each share is entitled to one vote.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

18. Reserves

	2023 $'000	2022 $'000
Share-based payments reserve	5,877	3,292
Investment revaluation reserve	212	(120)
Foreign currency translation reserve	139	139
Total Reserves	**6,228**	**3,311**

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.

	2023 $	2022 $
Balance at beginning of the financial year	3,292	2,747
Share-based payments	4,255	2,336
Transfers to Accumulated Losses and Share Capital	(1,670)	(1,791)
	5,877	**3,292**

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.

	2023 $'000	2022 $'000
Balance at beginning of the financial year	(120)	1,148
Fair value movement on revaluation of financial assets	524	(1,760)
Tax effect on investment revaluations and disposals	(192)	492
Balance at the end of the financial year	**212**	**(120)**

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

19. 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 17 and 18, and in the consolidated statement of financial position. A $300 million debt facility was executed in late June 2022 with the Ford Motor Company. The first draw down of the facility was made in April 2023 of $118.7 million.

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 changes in deposit or borrowing rates either affects the consolidated entity's income and future cash flow from interest income in the cash of deposits or affects the consolidated entity's expenses and future cash outflow on interest expenses in the case of borrowings.

The exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2023	Interest Maturing in: <1 Year $'000	1-5 Years $'000	Floating Interest $'000	Non-Interest Bearing $'000	Total $'000	Weighted Average Interest Rate %
Financial assets						
Cash and cash equivalents	-	-	305,438	-	305,438	3.03
Trade and other receivables	-	-	-	7,413	7,413	-
Financial assets	11,409	-	-	1,437	12,846	3.15
Financial liabilities						
Trade and other payables	-	-	-	(73,489)	(73,489)	-
Lease liabilities	(1,210)	(4,829)	-	-	(6,039)	8.79
Interest bearing loans and borrowings	(42)	(115,192)	-	-	(115,234)	5.57

2022	Interest Maturing in: <1 Year $'000	1-5 Years $'000	Floating Interest $'000	Non-Interest Bearing $'000	Total $'000	Weighted Average Interest Rate %
Financial assets						
Cash and cash equivalents	-	-	453,075	1	453,076	1.37
Trade and other receivables	-	-	-	1,438	1,438	-
Financial assets	78	-	-	-	78	0.03
Financial liabilities						
Trade and other payables	-	-	-	(19,464)	(19,464)	-
Lease liabilities	(178)	(53)	-	-	(231)	8.85

An increase of 100 basis points in interest rates on bank balances, term deposits and interest bearing liabilities over the reporting period would have increased the Group's profit by $3,940,067 (2022: $2,648,672). A decrease of 100 basis points in interest rates (other than where a decrease would result in negative interest rates) would have decreased the Group's profit by $3,940,067 (2022: $1,236,836).

The Company also pays interest costs at the Bank Bill Swap Rate (BBSW) plus a fixed margin of 1.5% on funding provided under the Ford financing facility. The Company has exposure to Interest rate risk on movements in the BBSW rate.

(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 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

30 June 2022	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	19,464	-	-	-	-	-	19,464
Lease Liabilities	107	86	54	-	-	247	231

(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.

20. List of Subsidiaries

	Country of Incorporation	Ownership Interest	
		2023 %	2022 %
Parent entity			
Liontown Resources Limited	Australia		
Subsidiaries			
Liontown Resources (Tanzania) Limited	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%
Buldania Holdings Pty Ltd	Australia	100%	100%
Buldania Lithium Pty Ltd	Australia	100%	100%

21. 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.

	2023 $'000	2022 $'000
Statement of profit and loss and other comprehensive income		
(Loss)/profit for the year	(10,001)	77,143
Total comprehensive (loss)/profit	(10,001)	77,143
Statement of Financial Position		
Current assets	188,083	453,971
Non-current assets	268,671	84,740
Total assets	456,754	538,711
Current liabilities	3,908	6,444
Non-current liabilities	3,110	106
Total liabilities	7,018	6,550
Net assets	**449,736**	**532,161**
Equity		
Share capital	576,734	576,219
Reserves	6,228	3,172
Accumulated losses	(133,226)	(47,230)
Total equity	**449,736**	**532,161**

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.

22. Contingent Assets and Liabilities

For the year ended 30 June 2023, there are no contingent assets (2022: $1,160,000).

For the year ended 30 June 2023, there are no contingent liabilities (2022: nil).

23. Remuneration of Auditors

	2023 $'000	2022 $'000
Deloitte		
Audit and review services	116	-
Other - tax compliance and other services	45	-
HLB Mann Judd		
Audit and review services	-	41
Other - tax compliance and other services	-	2
	161	43

24. 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 application for 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:

	2023 $'000	2022 $'000
Within 1 year	735	590
1-5 years	2,208	2,425
>5 years	3,119	3,418
	6,062	6,433

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.

Guarantee Commitments
At reporting date, $10 million had been deposited with Export Finance Australia (EFA) as part of the $25 million demand guarantee facility provided by EFA as security for the construction of the Hybrid Power Station at Kathleen Valley. Three further quarterly payments of $5 million will be made by the Company and deposited with EFA over the nine months to the third quarter of FY2024.

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 will build, own and operate the power station, exclusively for the Company, with completion planned to coincide with commissioning of the process plant in mid 2024. Construction of the power station commenced during the financial year. Prior to the commencement of electricity supply, Liontown's contractual exposure relates to termination costs of $147.9 million as at 30 June 2023.

Refer to note 12 for information in relation to outstanding contractual capital commitments as at 30 June 2023.

25. 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
- T Goyder – Chair
- A Cipriano - Lead Independent Non-Executive Director
- C Williams - Non-Executive Director
- J Morris – Non-Executive Director (appointed 24 November 2021)
- S McLeay - Non-Executive Director (appointed 3 May 2022)
- A Parker – Non-Executive Director (appointed 1 October 2022)
- S Chadwick - Non-Executive Director (resigned 4 July 2022)

Executives
- T Ottaviano - Managing Director and Chief Executive Officer (CEO)
- A Smits – Chief Operating Officer (COO)
- G Donald – Chief Commercial Officer (CCO) (appointed 24 November 2022)
- J Latto – Chief Financial Officer (CFO) (appointed 23 December 2022)
- C Hasson – Chief Financial Officer (CFO) (resigned 23 December 2022)
- D Richards - Technical Director (resigned 24 November 2021)

The key management personnel compensation is as follows:

	2023 $	2022 $
Short-term employee benefits	3,445,883	1,919,582
Post-employment benefits	238,451	126,830
Share-based payments	1,766,285	2,156,193
	5,450,619	4,202,605

(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:

	2023 $	2022 $
Corporate services recharge(1)	-	102,965
Minerals 260 Demerger and IPO related costs(2)	-	943,419
Corporate advisory services of KMP(3)	-	147,500
Technical consultancy services of KMP(4)	-	56,000
Mining consulting services (5)	84,830	1,040
Database management and field services(6)	-	41,063
	84,830	1,291,987

(1) *The Company supplied office facilities and corporate services to Minerals 260 Limited under a share service agreement. Amounts were billed on a proportionate share of the costs to the Company of providing the services and are due and payable under normal commercial terms. Mr Richards was concurrently a director of the demerged Minerals 260 Limited and the Company between October and November 2021.*

(2) *The Company incurred costs related to the Demerger, Initial Public Offer (IPO) and project costs of Minerals 260 Limited which were recharged subsequent to and conditional on the successful listing on the Australian Securities Exchange (ASX) in October 2021.*

(3) *The Company received corporate, financial advisory and general support services through a consultancy agreement (as disclosed to ASX on 12 May 2021) from Mr Cipriano at a rate of $2,500 per day and are payable under normal payment terms. The consultancy agreement was terminated on 31 December 2021.*

(4) *The Company's non-executive director Mr Chadwick provided general metallurgical and technical advisory services to the Company through a consultancy agreement. There was no fixed remuneration component under the consultancy agreement for these services and those services were provided on an "as required basis" at a rate of $2,000 per day and are payable on normal payment terms. Either party may terminate the agreement by providing one months' notice.*

(5) *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.*

(6) *The Group received database management and field services from related parties of Director, Mr Richards. Amounts paid were on normal commercial terms.*

Amounts payable to KMP and related parties at reporting date arising from these transactions was nil (2022: $6,040).

26. Events Occurring after the Reporting Period

Structural Mechanical Piping and Electrical & Instrumentation Contract

On 13 September 2023, the Company announced the Wet Plant Structural, Mechanical, Piping and Electrical & Instrumentation contract for the Kathleen Valley Lithium Project had been awarded to Monodelphous. The value of the contract over nine months is approximately $100 million.

Revised Proposal from Albemarle Corporation

On 4 September 2023, the Company announced it had received a revised conditional and non-binding indicative proposal from Albemarle Corporation to acquire all of the ordinary shares on issue in Liontown for $3.00 cash per share via a scheme of arrangement. The offer is conditional upon due diligence, the Liontown Board unanimously recommending the proposal and entry into a mutually acceptable scheme implementation deed, subject to shareholder approval. The Liontown Board has granted Albemarle a limited period of exclusive due diligence. Should Albemarle make a binding proposal at $3.00 per share, subject to agreement of a mutually acceptable binding scheme implementation agreement, the intention of the Liontown Board is to unanimously recommend shareholders vote in favour of the proposal in the absence of a superior proposal and subject to an independent expert concluding (and continuing to conclude) that the proposed transaction is in the best interests of shareholders.

S&P/ASX 100 Index
On 1 September 2023, S&P announced inclusion of the Company in the S&P/ASX 100 index effective from 18 September 2023.

Underground Mining Contract
On 17 August, Liontown announced the underground mining services contract at Kathleen Valley had been awarded to Byrnecut Australia Pty Ltd.

Direct Shipped Ore
On 3 August 2023, the Company announced its intention to proceed with delivery of Direct Shipping Ore (DSO) product to provide an early source of revenue ahead of the first concentrate production at the Kathleen Valley Lithium Project. Due to softening market conditions the Company is now reviewing DSO options, including withholding sales and adding the material to the stockpile as future mill feed. The Company is considering maintaining optionality to either sell DSO material should market conditions improve or use the DSO product as mill feed to produce concentrate. The Company will continue to progress the DSO crushing and sorting program to assist in the design of a potential large-scale sorting circuit as part of the planned 4 Mtpa circuit expansion.

E36/876 Tenement
On 26 July 2023, Liontown reached agreement with the owners of tenement E36/876, including Mila Resources plc (LON: MILA), providing Liontown a right to acquire up to 80% of the lithium rights under E36/876, approximately 8 km to the south of the Kathleen Valley Lithium Project. Under the terms of the agreement, Liontown will invest $100,000 in Mila through an unsecured convertible loan note. Liontown may acquire a 51% interest in the lithium rights within 18 months by paying $200,000 and a further 29% interest in the lithium rights within 5 years paying a further $2,000,000.

Haulage Contract
On 19 July 2023, the Company announced it had awarded the spodumene and DSO haulage service contract for the Kathleen Valley Lithium Project to Qube Holdings Ltd (Qube). The contract is conditional upon Qube finalising arrangement to secure the storage facility at the Port of Geraldton and is valued at approximately $175 million over a five year term.

Debt Facility
On 11 July 2023, a second draw down of funds was made from the Ford Motor Company debt facility of $128.6 million taking the total principal drawn down to $247.3 million.

Monjebup Tenements
On 10 July 2023, Red Mountain Mining Limited (ASX: RMX) announced a farm-in agreement with LBM (Aust) Pty Ltd, a wholly owned subsidiary of Liontown, to acquire an 80 percent interest in the Monjebup Rare Earth Project, consisting of 321 blocks covering ~910km2 in southern Western Australia. Red Mountain are required to issue 40 million shares to Liontown and spend not less than $500,000 within the 24 month farm-in period to earn their interest. Red Mountain shall also grant Liontown a 2% net smelter royalty upon earning their interest.

There has not been any other matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group’s operations, the results of those operations, or the Group’s state of affairs in future financial years.

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 2023 and of its performance for the year then ended; and

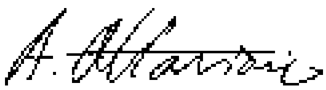
      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   (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 2023.

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



Antonino Ottaviano

Managing Director

Dated this 29th day of September 2023

Deloitte.

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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 2023, 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 a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 2023 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 in the financial report, which indicates that the Group has incurred a net loss after tax for the year ended 30 June 2023 of $22.2 million, and experienced net cash outflows from operating and investing activities of $260.4 million. As at 30 June 2023 the Group held cash and cash equivalents of $305.4 million, had undrawn borrowings, that were available for drawdown of $181.3 million, and had an excess of current assets over current liabilities of $248.4 million. Additionally, as at 30 June 2023 the Group also had contractual capital commitments associated with the development of the Kathleen Valley Lithium Project of $211.6 million. These conditions, along with other matters set forth in Note 3, 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.

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.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for development assets During the financial year ended 30 June 2023, the Group incurred $284.6 million of expenditure related to the development of the Kathleen Valley Project, which has been capitalised as part of assets under construction within Property, Plant and Equipment, taking the closing balance of assets under construction to $310.8 million as at 30 June 2023. Accounting for development assets has been identified as a key audit matter due to the material nature of the additions incurred during the year, and judgement with respect to whether underlying expenditure incurred should be capitalised or expensed.	Our procedures included, but were not limited to: • obtaining an understanding of the key controls management has in place with respect to accounting for costs associated with the development of the Kathleen Valley Project; • on a sample basis, testing 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*; • independently recalculating the borrowing costs capitalised during the year, with reference to the terms of the Group's Ford debt facility; and • assessing the classification of additions to assets under construction during the year, to ensure that they remain appropriately classified within assets under construction as at 30 June 2023, and that the related assets are not ready for their intended use as at 30 June 2023. We also assessed the adequacy of the disclosures included in Note 12 to the financial statements.
Restoration and rehabilitation provision At 30 June 2023, the Group recorded restoration and rehabilitation provisions of $9.5 million. The determination of the restoration and rehabilitation provision requires the use of significant estimates and judgements, including: • the expected future costs of performing restoration and rehabilitation activities; • the timing of when such activities are expected to take place; and • economic assumptions such as the inflation rate and discount rate used to discount this estimate to its net present value. Accounting for restoration and rehabilitation provisions has been identified as a key audit matter due to the significant judgements and estimates applied.	Our procedures included, but were not limited to: • obtaining an understanding of the key controls management has in place to estimate the restoration and rehabilitation provision; • agreeing restoration and rehabilitation cost estimates to underlying support, including, where applicable, reports from management's external experts; • assessing the independence, competence and objectivity of experts used by management; • on a sample basis, comparing assumed unit cost assumptions applied in calculating the cost estimate to current market rates; • challenging the completeness of provisions considering development 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 15 to the financial statements.

Deloitte.

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 2023, 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view 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.
- 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.

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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 52 to 62 of the Directors’ Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Liontown Resources Limited, for the year ended 30 June 2023, 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

David Newman
Partner
Chartered Accountants

Perth, 29 September 2023


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Mineral Resources and Ore Reserves

The Company reviews and reports its Ore Reserves and Mineral Resources at least annually

Ore Reserve and Mineral Resource 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 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 and 11 May 2020 and 8 April 2021. There was no change to the Mineral Resource estimate during the year ended 30 June 2023, although approximately 0.2 Mt of Measured material is now present in surface stockpiles following open pit mining. Mineral Resources are inclusive of Ore Reserves.

	As at 30 June 2023[1]			As at 30 June 2022[1]		
Mineral Resource Category	Million Tonnes	Li_2O %	Ta_2O_5 ppm	Million Tonnes	Li_2O %	Ta_2O_5 ppm
Measured[2]	20	1.3	145	20	1.3	145
Indicated	109	1.4	130	109	1.4	130
Inferred	27	1.3	113	27	1.3	113
Total	**156**	**1.4**	**130**	**156**	**1.4**	**130**

[1] Reported above a Li_2O cut-off grade of 0.55% which is commensurate with the cut-off grade determined during the Ore Reserve estimate.
[2] Measured Mineral Resource includes stockpiled material. Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate. Inconsistencies in the totals are due to rounding.
No material differences are yielded by reporting the Mineral Resources above the lower open pit Ore Reserve cut-off grade of 0.5% Li_2O.

The Kathleen Valley Project Ore Reserve:

The Company reported its Ore Reserve as part of the Definitive Feasibility Study released on 11 November 2021 and again on 30 June 2022. Open pit mining commenced during the year and a small volume of ore has stockpiled. There was no material change to the Ore Reserve during the year ended 30 June 2023.

	As at 30 June 2023[1,2]			As at 30 June 2022[1]		
Category	Million Tonnes	Li_2O %	Ta_2O_5 ppm	Million Tonnes	Li_2O %	Ta_2O_5 ppm
Underground						
Proved	-	-	-	-	-	-
Probable	65.4	1.3	119	65.4	1.3	119
Sub-Total	**65.4**	**1.3**	**119**	**65.4**	**1.3**	**119**
Open Pit						
Proved	2.7	1.3	141	2.7	1.3	141
Probable	0.5	0.9	148	0.5	0.9	148
Sub-Total	**3.2**	**1.2**	**142**	**3.2**	**1.2**	**142**
Total	**68.5**	**1.3**	**120**	**68.5**	**1.3**	**120**

1 Tonnages and grades are diluted and reported at a Li_2O cut-off grade of 0.5% (open pit) and 0.7-1.2% (underground) and use a US$740/dmt FOB SC6.0 pricing assumption.
2 Proved Ore Reserves includes stockpiled material.
Tonnages and grades have been rounded to reflect the relative uncertainty of the estimate. Inconsistencies in the totals are due to rounding.

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 2023.

	As at 30 June 2023[1]			As at 30 June 2022[1]		
Resource Category	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. Inconsistencies in the totals are due to rounding.

Toolebuc Vanadium Project

A conditional agreement to divest the Toolebuc Project was entered during the December 2021 Quarter. The disposal was completed in the September 2022 Quarter.

Governance Arrangements and Internal Controls

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

The Ore Reserve for the Kathleen Valley Project was prepared by independent mining consulting group Snowden Mining Industry Consultants Pty Ltd (now Snowden Optiro) with metallurgical and engineering input provided by Lycopodium.

The Mineral Resource estimates for the Kathleen Valley and Buldania Projects were prepared by independent specialist resource and mining consulting group Optiro Pty Ltd (now SnowdenOptiro).

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 Mining and Metallurgy.
- 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 report.
- 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 report.

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		
		M36/696	LRL (Aust) Pty Ltd	100%
		E36/879		
		L36/236		
		L36/237		
		L36/248		
		L36/250		
		L36/251		
		L36/255		
		L36/256		
		L36/261		
		L36/262		
		L36/263		
		L36/270		
		L53/253		
		L53/254		
		L53/255		
		L53/256		
		G36/52		
		L53/263	LRL (Aust) Pty Ltd	0% - pending application
		L53/264		
		L53/265		
		L36/264		
		L36/265		
		L36/266		
		L36/267		
		L36/268		
		L53/266		
		L53/267		
		E36/1041		
		L36/271		
		L36/272		
		L36/273		
		L36/274		
		L36/275		
		L36/276		
		L36/278		

Country	Project	Tenement No.	Registered Holder	Nature of interests
Austalia	Kathleen Valley	L36/279	LRL (Aust) Pty Ltd	0% - pending application
		L36/280		
		L53/272		
		L53/273		
		L53/274		
		L53/277		
		L53/278		
		L53/279		
		L53/280		
		L53/281		
		L53/282		
		L53/283		
		L53/284		
		L53/285		
		L53/286		
		L53/287		
		L53/288		
		L53/289		
		L53/290		
		L36/281		
		L36/282		
		L36/283		
	Buldania	E63/856	Avoca Resources Pty Ltd	100% of rights to lithium and related metals secured by Lithium Rights Agreement
		P63/1977		
		M63/647		
		M63/676		0% - pending application
		E63/1660	Buldania Lithium Pty Ltd	100%
		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 20 September 2023 is set out below.

Shareholdings

Substantial shareholders

Shareholder	Number of ordinary shares held[1]	Percentage of capital held %[2]
Mr Timothy Goyder	329,678,766	14.97
Mrs Georgina Hope Rinehart and Hancock Prospecting Pty Ltd (HPPL) and subsidiaries of HPPL[3]	169,914,764	7.72
State Street Corporation and subsidiaries	112,499,662	5.11

Notes:

1. This refers to the number of shares held by each substantial shareholder as disclosed to the Company by the shareholders as at 20 September 2023.
2. The relevant interest percentage has been calculated on the basis of the Company's issued share capital on an undiluted basis as at 20 September 2023 (being, 2,202,255,586 shares).
3. Ms Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust filed a substantial holder notice on 13 September 2023 in respect of the 169,914,764 shares which were the subject of the substantial holding notice lodged by Mrs Rinehart, HPPL and subsidiaries of HPPL on 12 September 2023 on the basis that a relevant interest arises by virtue of the operation of section 608(3)(a) of the Corporations Act.

Issued Capital

Share capital comprised 2,202,255,586 fully paid ordinary shares of the Company and the Company had 28,737 holders of fully paid ordinary shares.

Unquoted securities

Unlisted Security [1, 2]	Total in Class	Number of Holders
Options (expiring 25 November 2023)	1,000,000	1
Options (expiring 9 February 2024)	2,500,000	1
Options (expiring 23 November 2024)	500,000	1
Performance rights (expiring 1 July 2024)	1,250,000	1
Performance rights (expiring 31 March 2025	1,058,713	84
Performance rights (expiring 30 June 2025)	2,915,212	5
Performance rights (expiring 30 June 2025)	891,418	10
Performance rights (expiring 30 June 2027)	3,419,407	9
Performance rights (expiring 30 June 2026)	441,536	8
Performance rights (expiring 30 June 2028)	1,301,738	8

Notes:

1. The unlisted securities above were issued under an employee incentive scheme
2. There were no holders of unquoted equity securities, excluding securities held under an employee incentive scheme, where the holder held 20% or more of a class of unlisted security as at 20 September 2023.

Distribution of equity security holders

	Ordinary Shares		Unlisted Share Options		Performance Rights	
Size of Holding	No. Holders	% Held	No. Holders	% Held	No. Holders	% Held
1 – 1,000	9,919	0.24	-	-	-	-
1,001 – 5,000	9,382	1.12	-	-	59	1.31
5,001 – 10,000	3,194	1.11	-	-	-	-
10,001 – 100,000	4,921	7.32	-	-	41	16.70
100,001 and over	1,321	90.20	3	100	25	81.99
Total	**28,737**	**100.00**	**3**	**100**	**125**	**100.00**

Marketable Parcel

The number of shareholders holding less than a marketable parcel was 444.

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 or performance rights do not have voting rights.

Restricted Securities

There are no restricted ordinary shares on issue.

On-Market Buy-Back

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

Twenty largest ordinary fully paid shareholders

Name	Number of ordinary shares held	Percentage of capital held %
Mr Timothy Rupert Barr Goyder	329,678,766	14.97
HSBC Custody Nominees (Australia) Limited	207,882,558	9.44
J P Morgan Nominees Australia Pty Limited	120,568,676	5.48
Citicorp Nominees Pty Limited	118,525,389	5.38
RT Lithium Ltd	96,257,865	4.37
BNP Paribas Nominees Pty Ltd ACF Clearstream	92,499,320	4.20
Zero Nominees Pty Ltd	69,193,846	3.14
Clement Pty Ltd <D&M Goyder Family S/Fund A/C>	35,930,000	1.63
Invia Custodian Pty Limited <Orpheus Geoscience S/F A/C>	29,767,515	1.35
GKCF Super Pty Ltd <Graham Kluck Drilli S/F A/C>	29,405,998	1.34
The Universal Zone Pty Ltd <Kluck Property A/C>	26,290,000	1.19
BNP Paribas Noms Pty Ltd <DRP>	23,597,552	1.07
Anisimoff Super Fund Pty Limited <Anisimoff Super Fund A/C>	19,911,778	0.91
HSBC Custody Nominees (Australia) Limited - A/C 2	17,681,496	0.80
Mr Anthony Cipriano	16,100,000	0.73
National Nominees Limited	14,781,961	0.67
Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	13,000,625	0.59
Double Eagle Pty Ltd	10,324,882	0.47
Kenma Investment Advisors Pty Limited <Kenma Super Fund A/C>	9,705,000	0.44
BNP Paribas Noms Pty Ltd Uobkh A/C R'Miers <DRP>	9,687,000	0.44
Total Top 20	**1,290,790,227**	**58.61**
Others	911,465,359	41.39
Total	**2,202,255,586**	**100.00**

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 2023, 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 2023, 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.

AC
Aboriginal Corporation

ACCP
Access, Construction or Change Permit

AEP
Annual Exceedance Probability

AGM
Annual General Meeting

AMEC
Association of Mining and Exploration Companies

ANCOLD
Australian National Committee on Large Dams

Aquifer
An area underground where spaces between gravel, sand, clay, or rock fill with water

ARI
Average Recurrence Interval

Association of Mining and Exploration Companies (AMEC)
An Australian industry association whose membership comprises explorers, emerging miners, producers and a wide range of businesses and service providers

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

BESS
Battery Energy Storage System

Biofuel
Any fuel that is derived from biomass (plant or algae material or animal waste). It is considered to be a source of renewable energy

BOO
Build, Own and Operate

Borefield
An area where bores or wells are drilled

CCWP
Clearing and Civil Works Permit

CEO
Chief Executive Officer

Chamber of Minerals and Energy (CME) WA
A resources representative body in Western Australia

CHMP
Cultural Heritage Management Protocol

CME
Chamber of Minerals and Energy

COO
Chief Operating Officer

CRA
Construction Risk Assessment

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)

DBCA
Department of Biodiversity Conservation and Attractions (Western Australia)

Definitive Feasibility Study
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

Determined Native Title Claim
A claim of Native Title that has been recognised by law. Native Title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since Australian sovereignty

DFS
Definitive Feasibility Study

DMIRS
Department of Mines, Industry Regulation and Safety (Western Australia)

Downstream Scoping Study
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

DSS
Downstream Scoping Study

E
Exploration licence

EAP
Employee Assistance Program

EGM
Extraordinary General Meeting

EPCM

Engineering, Procurement and Construction Management

EPM
Exploration permit

EPRP
Emergency Preparedness Response Plan

ESG
Environmental, Social and Governance

EV
Electric vehicle

FID
Financial investment decision

FY
Financial year

Fugitive Emissions
Non-liquid leaks or unintended releases of pollutants from a contained source into the surrounding atmosphere

Geophysics
Study of the earth

GHG
Greenhouse gas

Greenfield
An undeveloped site

GRI
Global Reporting Initiative

Groundwater
Water that exists underground in saturated zones beneath the land surface

HAZOP
Hazard and Operability

HDPE
High-density polythene

HSE
Health, Safety and Environment

HRWL
High Risk Work Licenses

Hydrocarbon
An organic chemical compound that is composed exclusively of hydrogen and carbon atoms. They are naturally occurring and form the basis of crude oil, natural gas, coal, and other important energy sources

Hydrogeological
The occurrence, distribution, and movement of groundwater

ICAM
Incident Cause Analysis Method

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)

Intergovernmental Panel on Climate Change **(IPCC)**
An intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change

IPCC
International Panel on Climate Change

IRMA
Initiative for Responsible Mining Association

JHA
Job hazards analysis

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

LCT
Lithium-caesium-tantalum

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

L
Miscellaneous licence

LTIFR
Lost time injury frequency rate

M
Mining lease

MAT
Materiality Assessment Tool

MTIFR
Medically treated injury frequency rate

NAF
Non-acid forming

National Greenhouse Accounts Factors
Guidance provided by the Australian Government's Department of Industry, Sciences, Energy and Resources that provides methods to help estimate greenhouse gas emissions

Native Title Agreement
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

NTA
Native Title Agreement

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 pit

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

Paris Agreement
A legally binding international treaty on climate change to limit global warming to well below two degrees Celsius (2°C) above pre-industrial times, and as close to 1.5°C as possible

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

Power Purchase Agreement
A long-term electricity supply agreement between two parties, usually between a power producer and a customer (electricity consumer)

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

PFS
Pre-Feasibility Study

RC
Reversed Circulation

RIWI
Rights in Water and Irrigation (Act)

ROM
Run of mine

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

S&P
Standard & Poor's

SAG
Semi autogenous (mill)

SAG Mill
Semi-Autogenous Grinding 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

Solar voltaic array
A linked collection of solar panels

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

SRS
Safety Reporting System

Subterranean fauna
Animal species that are adapted to live in an underground environment

SWMS
Safe Work Method Statement

Ta2O5
Tantalum pentoxide

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

TCFD
Task Force on Climate Related Financial Disclosures

Telemetry
Technologies that accommodate collecting information in the form of measurements or statistical data and forward it to IT systems in a remote location

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

V2O5
Vanadium oxide

Value chain
A series of consecutive steps that go into the creation of a finished product, from its initial design to when it reaches the customer

VOC
Verifications of Competency

WA
Western Australia

WHS
Work Health & Safety

WHSMS
Work Health Safety Management System

WWTP
Wastewater Treatment Plant

Units of Measurement

%
percentage or per cent

A$/t
Australian dollars per tonne

GJ
Gigajoules

kL
kilolitre

km
Kilometre

Kt
Kilo tonnes

ktpa
kilo tonnes per annum

kW
kilo watt

L
Litre

M
metre

ML
megalitre

Mt
Million tonnes

Mtpa
Million tonnes per annum

tpa
Tonnes per annum

US$/t
US dollars per tonne


Haulotte

Directors

Timothy R B Goyder
Chair

Tony Ottaviano
Managing Director/CEO

Anthony Cipriano
Lead Independent Non-Executive Director

Craig Williams
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

Principal Place of Business and Registered Office

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West Perth WA 6872

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Email:info@ltresources.com.au
Web: ltresources.com.au

ABN: 39 118 153 825

Auditor

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Solicitor

Allens
Mia Yellagonga Tower 2
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.

MIX Paper | Supporting responsible forestry FSC www.fsc.org FSC® C113956

This publication is sustainably printed, utilising solar electricity and FSC certified paper. The printer is ISO14001 accredited, the highest environmental standard.


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