

27 February 2023

Appendix 4D

Half-Year Report – 31 December 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(This information should be read in conjunction with the last annual report and any announcements to the market by Lithium Australia Limited during the period)

ACN: 126 129 413
ASX: LIT

Level 1
677 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

P: +61 (0) 8 6145 0288
F: +61 (0) 8 9475 0847

info@lithium-au.com
lithium-au.com

	Half Year Ended 31 Dec 22 (\$'M)	Half Year Ended 31 Dec 21 (\$'M)	Amount change (\$'M)	Percentage change %
Revenue from Sales and ordinary activities	6.5	4.6	1.9	42%
(Loss) from ordinary activities after tax attributable to members	(1.5)	(5.2)	3.0	(71%)
Net (loss) for the half year attributable to members	(1.5)	(4.8)	2.6	(69%)

Comment

For the period ended 31 December 2022, Lithium Australia sales were \$2.3 million, primarily related to the recycling division (31 December 2021: \$1.0 million). Associated cost of sales were \$1.7 million for the same period, down from \$2.5 million in the period ended 31 December 2021. These delivered a Gross Profit of \$0.6 million for the period ended 31 December 2022 (31 December 2021: \$1.5 million Gross Loss). The primary drivers for this improvement relate to increased collection and processing of end of life batteries, the introduction of rebates from the B-Cycle scheme and improvements in operation efficiencies within the recycling division.

The insurance settlement for remediation (refer announcement 7 September 2022) resulted in a release of provision of \$1.7 million with a remaining remediation provision of \$3.3 million at the period end.

The working capital surplus, being current assets less current liabilities was \$15.5 million at 31 December 2022 (30 June 2022: working capital deficit of \$1.8 million).

At 31 December 2022, an amount of \$1.3 million (30 June 2021: \$0.9 million) is included in the statement of financial position, representing amounts billed for sales where performance obligations from those contracts have not been fully satisfied; these amounts will be reflected in the full year's reported revenue.

The net loss for the period ended 31 December 2022 includes non-cash share-based payment expenses for options issued to directors and brokers, as approved by the Company's shareholders of \$0.9 million (31 December 2021: \$0.7 million).

Dividends (distributions)

There are no dividend or distribution reinvestment plans in operation and there have been no dividend or distribution payments during the financial year ended 31 December 2022 (31 December 2021: Nil).

Net tangible asset per ordinary security	31 December 2022	31 December 2021
Net tangible assets	\$18.0 million	\$14.3 million
Number of shares on issue at reporting date	1,221,191,672	1,028,573,506
Net tangible asset per ordinary security	\$0.015 cents	\$0.014 cents

Control Gained or Lost over Entities

During the half year period Parent company has disposed the following subsidiaries;

- Lithophile Pty Ltd
- Stanifer Pty Ltd

Associates and Joint Ventures

During the half year period Joint Venture partnership between Lithium Australia and Galan has been terminated on the completion of the sale of Greenbushes South Lithium Project (refer announcement 13 December 2022).

Audit/Review Status

This Appendix 4D and the attached interim financial statements are based on accounts which have been subjected to review. The accounts are not subject to dispute or qualification.

	Current period	Previous corresponding period
Basic (loss) per share in cents	(0.14) cents	(0.53) cents

Independent Auditor's Review Report

The Independent Auditor's Review Report can be found on page 22 of the attached financial report for the Half Year ended 31 December 2022.

Authorised for release by the Board.

Simon Linge

Chief Executive Officer

Mobile +61 (0) 438 721 280

simon.linge@lithium-au.com

Stuart Tarrant

Chief Financial Officer

Mobile +61 (0) 467 817 005

stuart.tarrant@lithium-au.com

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

About Lithium Australia

Lithium Australia (ASX:LIT) is at the forefront of advanced materials development to ensure an ethical and sustainable future for the global battery industry. Lithium Australia is achieving this via its business divisions:

Envirostream (100%-owned LIT subsidiary): Envirostream, which is leading Australia's battery recycling industry, is at the cutting edge of delivering safe and innovative management solutions to one of the Australian waste industry's biggest (and getting bigger) challenges – battery disposal.

Its state-of-the-art Victorian-based battery processing facilities are providing a sustainable solution by collecting, sorting and processing critical battery metals from all types of spent batteries to power the batteries of tomorrow.

With battery recycling partnerships alongside some of Australia's leading brands (including Bunnings, Officeworks and Battery World), Envirostream benefits from the Australian government-backed battery recycling scheme which is providing rebates across collection, sorting, and processing of batteries. These combined provide the platform for national expansion.

VSPC (100%-owned LIT subsidiary): With over 20 years' experience, VSPC develops leading-edge materials for e-mobility and energy storage applications and, ultimately, a zero-carbon economy. Its patents cover the production of advanced powders for next generation lithium-ion batteries, especially lithium ferro phosphate ('LFP').

Currently, demand for LFP represents more than half the global market for lithium-ion battery materials. The Company is one of only a few entities outside of China with the technical expertise to manufacture LFP powder of the highest quality to meet those burgeoning market pressures.

VSPC is now on a clear path to production. With a Research & Development (R&D) facility (pilot plant) located in Queensland, a Definitive Feasibility Study ('DFS') for an initial 10,000tpa LFP manufacturing facility is well underway, and with customer offtake discussions advancing in parallel, VSPC is positioning for its first commercial footprint.