LIONTOWN RESOURCES LIMITED

ABN: 39 118 153 825

FINANCIAL REPORT

HALF YEAR ENDED 31 DECEMBER 2024

CORPORATE DIRECTORY

Directors

Timothy Goyder .... Non-Executive Chair

Antonino Ottaviano .... Managing Director and Chief Executive Officer

Ian Wells .... Lead Independent Non-Executive Director

Jennifer Morris .... Independent Non-Executive Director

Shane McLeay .... Independent Non-Executive Director

Adrienne Parker .... Independent Non-Executive Director

Company Secretary

Clint McGhie

Principal Place of Business and Registered Office

Level 2, 32 Ord Street, West Perth, Western Australia 6005

Tel: (+61 8) 6186 4600

Web: www.ltresources.com.au

Email: info@ltresources.com.au

Auditors

Deloitte Touche Tohmatsu

Brookfield Place, Tower 2

123 St Georges Terrace, Perth, Western Australia 6000

Share Registry

Computershare Investor Services Pty Limited

Level 17, 221 St Georges Terrace, Perth, Western Australia 6000

Tel: 1300 557 010

Home Exchange

Australian Securities Exchange Limited

Level 40, Central Park, 152- 158 St Georges Terrace, Perth, Western Australia 6000

ASX Codes

Share Code: LTR

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DIRECTORS' REPORT

The Directors present the condensed consolidated financial report of the Group consisting of Liontown Resources Limited (Liontown Resources or the Company) and its controlled entities for the half year ended 31 December 2024 and the independent auditor's review report thereon.

DIRECTORS

The names of directors who held office during or since the end of the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Timothy Goyder	Non-Executive Chair
Antonino Ottaviano	Managing Director and Chief Executive Officer
Ian Wells	Lead Independent Non-Executive Director
Jennifer Morris	Independent Non-Executive Director
Shane McLeay	Independent Non-Executive Director
Adrienne Parker	Independent Non-Executive Director

REVIEW OF OPERATIONS

Overview

During the half-year ended 31 December 2024, the Company achieved a landmark milestone with the successful completion of the construction required for first production at the Kathleen Valley Lithium Operation, marking a pivotal moment in the Company's history. Following this accomplishment, the Company has seamlessly transitioned from construction to production, with first spodumene concentrate produced on 31 July 2024. Ramp-up of the Kathleen Valley processing plant and production has continually progressed in alignment with, and in some cases exceeded, expectations. As a result, the Company's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025. By the close of the reporting period, the Company has solidified its position as a new lithium producer, having shipped over 100,000 wet metric tonnes of spodumene concentrate to customers, at a weighted average grade of 5.3% Li_2O.

Key highlights of the Company's operations during H1 FY25, included:

- Production of spodumene concentrate from the Kathleen Valley Lithium Operation commenced on 31 July 2024;
- Sales of spodumene concentrate totalled 100,240 wet metric tonnes from four shipments, with an average realised price of US$811/dmt (CIF), resulting in revenue for the period of $100.4 million;
- Cash and cash equivalents of $192.9 million as at 31 December 2024. In addition, the Company had 24,904 dmt of saleable spodumene concentrate on hand at the end of the period;
- Strong ramp-up of the processing plant with a total of 116,854 dry metric tonnes (dmt) of spodumene concentrate produced to 31 December 2024 and the Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025;
- The maiden shipment of spodumene concentrate from the Kathleen Valley Lithium Operation departed on 27 September 2024, bound for an offtake customer in China;
- The Company's spot market strategy for uncontracted volumes commenced in October 2024;
- The first spodumene concentrate delivery to long-term foundation offtake customer LG Energy Solution, Ltd occurred in December 2024;
- Renewable power penetration from the Kathleen Valley Hybrid Power Station exceeded 80% for the period, well above the 60% target;
- The Company has strategically built and paid for significant stockpiles in anticipation of the transition from open pit to underground mining by stockpiling approximately 1.3 million tonnes of ore as at 31 December 2024;

- Underground mining is progressing to plan, with 3,771 development metres achieved during the reporting period and 7,254 cumulative development metres since underground mining commenced in November 2023. Production stoping is expected to commence in Q4 FY25;
- An expanded strategic partnership with LG Energy Solution, Ltd announced, including the issue of US$250 million (A$372.3 million[1]) in convertible notes, a 10-year offtake extension and downstream collaboration agreement to explore the feasibility of establishing a lithium refinery;
- The Company announced an update to its operational strategy (including a new mine plan for the underground) and provided its maiden H2 FY25 production and cost guidance for its Kathleen Valley Lithium Operation; and
- In response to the low-price environment for spodumene concentrate and lithium chemicals, the Company revised its production rate to 2.3 million tonnes per annum from the end of FY25 with a focus on higher margin ore, whilst preserving optionality for future expansion when market conditions improve.

Sustainability

Health and Safety

The Company maintains its commitment to enhancing safety and fostering a culture of continuous improvement across all facets of operations.

The Company's half-year end rolling annual average LTIFR was 0.66 with a rolling average TRIFR of 4.59 with one LTI recorded.

Environmental, Social and Governance (ESG)

Key approvals were obtained during the reporting period, including the Mining Proposal Amendment for the Tailings Storage Facility, the approval and issuance of 26D licences for well construction, and the receipt of Section 18 approval for the Mt McClure bore field pipeline, in-line with the Company's long-term water supply strategy.

The Company continues to actively partner with Native Title groups at various levels to support the local community. Tjiwarl businesses received contracts to deliver rehabilitation earthworks and light vehicle maintenance contracts at Kathleen Valley's Lithium Operation. Subsequent to period end, a Tjiwarl business was awarded a contract for Run of Mine (ROM) loading services.

Hybrid Power Station

The hybrid power station has exceeded 80% renewable power penetration during the reporting period. With a stable and secure energy supply, the power station is operating well above the 60% renewable penetration target, delivering strong performance and powering Kathleen Valley efficiently.

Kathleen Valley Lithium Operation

During the half-year the Company commenced production; with first production of spodumene concentrate achieved on 31 July 2024 as planned.

Table 1 Ore mined and processed

Total ore mined and processed	Units	Q1 FY25	Q2 FY25	Total H1 FY25
Open pit ore mined	kt	590	1,138	1,728
Open pit waste mined	kt	3,361	1,506	4,867
Strip ratio	waste:ore	5.14	1.25	2.62
Underground ore mined	kt	19	32	51
Underground waste mined	kt	168	144	312
Average Li_2O grade mined	%	1.22	1.27	1.25

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

Underground mining development metres	m	1,869	1,902	3,771
Ore processed	kdmt	282	619	901
Lithia feed grade	%	1.17	1.34	1.29
Plant availability	%	78	89	84
Lithia recovery	%	44.73	55.36	52.35
Stockpiles				
- Clean ore	kt	413	605	605
- Ore Sorting Product (OSP) ore	kt	270	697	697
- Spodumene concentrate	kwmt	17	25	25

<u>Mining</u>

Mining operations progressed well in both the open pit and underground.

Open pit mining was primarily focused on the main ore bench as the Company built ROM stockpiles ahead of the transition to full underground mining operations which is planned for FY26. A total of 6.6 million tonnes of material, including clean ore, OSP material and waste was moved during the period. During H1 FY25 1,728 kt of ore was mined from the open pit at an average mined grade of 1.24%. Stockpiled ore at 31 December 24 of approximately 1.3 million tonnes was in line with the open pit plan. Open pit mining is scheduled to continue into Q3 FY26.

Underground development continued to plan, with 3,771 development metres achieved during the reporting period and 7,254 cumulative development metres since underground mining commenced in November 2023. With ground conditions in the underground as expected, underground jumbo productivity (two jumbos in operation) has achieved an average of over 300 metres per jumbo per month throughout the half-year.

Preparation for the transition to full underground mining operations in FY26 remains on track with underground production stoping scheduled to commence in Q4 FY25 as planned.

<u>Processing</u>

Production at the Kathleen Valley Lithium Operation commenced on 31 July 2024 and the processing plant performed strongly across the period, achieving planned availability, throughput and production and seeing month on month improvements in recovery. As a result, the Company's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025.

Lithia recovery reached 59% in December continuing its upward trend through the reporting period having averaged 45% across August and September 2024 following the commencement of production on 31 July 2024. The Company is seeking continued improvements in its recoveries and is targeting a recovery of 70% by Q3 FY26.

Table 2: Production and Sales

Production and Sales	Units	Q1 FY25	Q2 FY25	Total H1 FY25
Spodumene concentrate production	dmt	28,171	88,683	116,854
Spodumene concentrate sales	dmt	10,831	81,341	92,172
Average Li2O grade shipped	%	5.33	5.25	5.26
Concentrate inventories on hand	dmt	17,340	24,904	24,904
Realised price	US$/dmt SC6e	846	806	811
Tantalite concentrate production	dmt	0	246	246

Since the commencement of first production in July 2024, the Company has produced 116,854 dmt of spodumene concentrate and shipped 92,172 dmt with an average concentrate grade of 5.26% Li_2O at the end of the reporting period.

In addition to spodumene concentrate shipments, the Company also achieved its first sale of tantalite. A total of 246 dmt of tantalum concentrate was produced following the commissioning of the circuit in October 2024.

The Company's first shipment to foundation offtake partner, LG Energy Solution, Ltd, was exported from Geraldton in December 2024, as part of Liontown's commitment to supply spodumene concentrate to strategic supply chain partners.

Furthermore, the Company continues to experience strong inbound interest from customers for any available spodumene tonnes, reflecting the robust demand for high-grade lithium concentrate underpinned by the continued global growth of electric vehicles and other battery storage solutions.

Project Capital

During the half-year period, the Company funded significant project capital costs, including construction of the paste fill plant, the tantalum circuit and remaining project capital costs to complete non-critical path works.

The total estimated remaining cash outflow associated with the construction of the Kathleen Valley Lithium Operation is approximately $11 million which is expected to be paid in H2 FY25. This includes approximately $5 million of Kathleen Valley project capital which is yet to be incurred.

Stockpiles

The Company has strategically built and paid for significant stockpiles in anticipation of the transition from open pit to underground mining by stockpiling approximately 1.3 million tonnes of ore as at 31 December 2024.

Exploration

No material mining exploration was undertaken during the half-year.

Corporate

The financial results of the Group for the period reflect the commencement of operations and the recognition of revenues and costs associated with production of spodumene concentrate such as mining, processing and maintenance costs. As the Group had not declared commercial production of the Kathleen Valley processing plant as at 31 December 2024, the financial results only reflect depreciation and amortisation associated with the open pit operation, right of use assets and minor property plant and equipment assets.

Underlying EBITDA

Underlying EBITDA, a non-IFRS measure, is defined as earnings before interest, financing related gains and losses, tax, depreciation, amortisation, and exploration and evaluation expenditure. It serves as a key indicator of the Company's financial performance. During the half year, Liontown's operations generated Underlying EBITDA of $66.0 million. The reconciliation of Underlying EBITDA to the financial metrics reported in the financial statements under Australian Accounting Standards is presented below.

	Note	31 December 2024 $'000
Sales revenue	2	100,410
Cost of sales[(1)]	3	(13,709)
Other income		1,451
Corporate and administration expenses excluding depreciation	4(b)	(18,531)
Share based payments	4(c)	(3,652)
Underlying EBITDA		**65,969**
Finance income	5	7,369
Finance expense	5	(13,139)
Fair value movement on derivative liability	12	43,713
Foreign currency losses on financing activities	12	(30,427)
Depreciation and amortisation	3 & 4(b)	(87,607)
Exploration and evaluation expenditure expensed	4(a)	(937)
Net loss before tax		**(15,059)**
Income tax expense		(185)
Net loss after tax		**(15,244)**

(1) Excludes depreciation and amortisation ($86.7 million) and capitalised commissioning costs ($39.3 million).

Financial Performance

The Group reported a loss before tax for the half year of $15.1 million (31 December 2023 loss before tax: $30.9 million). Given the Group was commissioning and ramping up the Kathleen Valley processing plant during the period (and had not declared commercial production at the processing plant as at 31 December 2024), the Group capitalised all costs associated with completing the commissioning of the Kathleen Valley processing plant, other than those sufficient to offset the revenue that the Group generated from the sale of its spodumene concentrate which was produced during commissioning.

Revenue for the period totalled $100.4 million, offset by production costs of $100.4 million in accordance with the Group's pre-commercial production accounting policy.

The Group recognised movements in its Statement of Comprehensive Income and Statement of Financial Position for the period associated with the US$250 million convertible notes issued to LG Energy Solution, Ltd. This includes a:

- $43.7 million gain on the change in fair value of the embedded derivative which is driven by factors such as the Company's share price, exchange rate movements and the passage of time between issuance date and period end; and
- $30.4 million foreign exchange loss related to a decrease in the AUD:USD exchange rate across the period.

Subsequent to period end, the Group's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025. In accordance with Accounting Standards, commercial production in relation to the Kathleen Valley processing plant refers to a period where the processing plant has operated as intended by management for a sustained period. In addition to the cessation of the capitalisation of commissioning costs, the declaration of commercial production will see (amongst other items) the commencement of depreciation of the assets associated with the processing plant over their respective useful lives. From 1 January 2025 onwards, all operating costs associated with open pit mining and the processing plant will form part of the cost of inventory and be expensed through Cost of Goods Sold as sales are made. Underground costs will continue to be capitalised to mine properties until the declaration of commercial production at the Mount Mann underground which is expected to occur in calendar 2025.

The Group has significant unrecognised net deferred tax assets, mainly relating to accumulated revenue losses. These net deferred tax assets are expected to be recognised in future periods to the extent that it is probable future taxable profits will be available against which the asset can be utilised.

Financial Position

	Note	31 December 2024 $'000	30 June 2024 $'000
Key metrics			
Interest bearing loans and borrowings	12	697,609	317,896
Lease liabilities	11	146,673	143,018
Total debt		**844,282**	**460,914**
Cash and cash equivalents		192,872	122,949
Net debt		**651,410**	**337,965**
Equity		**758,119**	**770,072**
Key Ratios			
Gearing %[(1)]		53	37
Net gearing %[(2)]		46	31

(1) Total debt / (Total debt + Equity).

(2) Net debt / (Net debt + Equity).

At 31 December 2024, the Group had net assets of $758.1 million (30 June 2024: $770.1 million) and a deficit of current assets over current liabilities of $87.8 million, compared to an excess of $42.9 million at 30 June 2024. The Group's excess of current liabilities over current assets as at 31 December 2024 is driven largely by the classification as a current liability of the convertible notes of US$250 million (A$345.1 million of interest bearing loans and the related derivative liability of A$25.1 million) that were issued to LG Energy Solution, Ltd on 2 July 2024. LG Energy Solution, Ltd can elect to convert the debt into shares in the Company at any time after six months from issue of the convertible notes. Notwithstanding that the conversion into equity would have no cash impact, the Company does not have an unconditional right to defer settlement of the debt owing to LG Energy Solution, Ltd for at least a 12-month period which is necessary for the debt to be classified as a non-current liability.

The Group had cash and cash equivalents of $192.9 million as at 31 December 2024 (30 June 2024: $122.9 million).

Trade and other receivables increased by $11.4 million to $19.7 million mainly driven by a $9.8 million increase in trade receivables from sales of spodumene concentrate.

Inventories increased by $107.1 million to $129.9 million with most of this increase relating to stockpiled ore as the Company strategically built and paid for significant stockpiles in anticipation of the transition from open pit to underground mining operations in 2026. As at 31 December 2024, the Company had approximately 1.3Mt of stockpiled ore which is expected to be gradually drawn down as the Company ceases open pit operations. The costs associated with building the Company's inventory balances (which were incurred in prior periods) will be recognised via a non-cash adjustment in the All in Sustaining Cost (AISC) and the Profit and Loss Statement as sales occur.

The carrying value of property plant and equipment increased by $119.2 million to $1,319.8 million at 31 December 2024 driven mainly by a $195.5 million increase in capitalised Kathleen Valley development costs.

Total current liabilities increased by $319.1 million to $456.6 million at 31 December 2024, mainly due the US$250 million convertible notes issued to LG Energy Solution, Ltd.

Statement of Cashflows

	31 December 2024 $'000	31 December 2023 $'000
Net cash used in operating activities	(36,640)	(18,672)
Net cash used in investing activities	(253,187)	(325,598)
Net cash from financing activities	359,750	555,763
Net increase in cash and cash equivalents	**69,923**	**211,493**

Net cash flows from operating activities include interest receipts of $7.4 million for the period ended 31 December 2024.

Net cash used in operating activities increased by $17.9 million to $36.6 million for the period ending 31 December 2024 predominantly driven by an increase in cash paid to supplier and employees. This increase is mainly related to an increase in production costs as the Company transitioned from construction to production.

Net cash used in investing activities was $253.2 million for the period ending 31 December 2024 and mainly related to Kathleen Valley development expenditure.

Net cash from financing activities was $359.8 million for the period ending 31 December 2024. The cash inflows primarily related to issuing convertible notes to LG Energy Solution, Ltd for US$250 million ($372.3 million). Repayment of borrowings of $9.7 million mainly relates to hire purchase arrangements and cash payments for right of use assets.

Funding

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

On 4 July 2024 the Company announced that it had issued the Convertible Notes to LG Energy Solution, Ltd having received the full proceeds under the Convertible Note Subscription Agreement.

The Convertible Notes are convertible at the option of LG Energy Solution, Ltd into ordinary shares in the Company, either in whole or in part, at the conversion price of $1.80 per ordinary share any time after 4 January 2025 up until the date that is five business days prior to the maturity date. For further information, please refer to note 12 to the financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO THE REPORTING DATE

On 17 February 2025, the Group's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025. As a consequence, capitalisation of costs will cease and full depreciation and amortisation of the Kathleen Valley processing plant will be recognised in the financial statements.

There has not been any other matter or circumstance that has arisen since the end of the half year which 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 periods.

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.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Deloitte Touche Tohmatsu, to provide the directors of the Company with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is set out on page 11 and forms part of this directors' report for the half year ended 31 December 2024.

FORWARD LOOKING STATEMENTS AND IMPORANT NOTICE

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. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. 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 report. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Antonino Ottaviano
Managing Director

Dated at Perth this 14th day of March 2025

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Board of Directors
Liontown Resources Limited
Level 2, 32 Ord Street
WEST PERTH WA 6005

14 March 2025

Dear Directors,

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.

As lead audit partner for the review of financial report of Liontown Resources Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 24 $'000	31 Dec 23 $'000
Sales revenue	2	100,410	-
Cost of goods sold	3	(100,410)	-
Gross Profit		-	-
Other income		1,451	25
Exploration and evaluation expenditure expensed	4(a)	(937)	(6,590)
Corporate and administration expenses	4(b)	(19,437)	(20,867)
Share based payments	4(c)	(3,652)	(3,927)
Loss before financing and tax		**(22,575)**	**(31,359)**
Finance income	5	7,369	8,486
Finance expense	5	(13,139)	(8,100)
Fair value movement on derivative liability	12	43,713	-
Foreign currency losses on financing activities	12	(30,427)	-
Loss before income tax		**(15,059)**	**(30,973)**
Income tax expense		(185)	(46)
Net loss after tax		**(15,244)**	**(31,019)**
Other comprehensive loss Items that will not be reclassified to profit or loss			
Net loss on fair value of financial assets, net of tax		(361)	(239)
Total comprehensive loss for the year attributable to owners of the Company		**(15,605)**	**(31,258)**
Basic loss per share (dollars per share)		$(0.006)	($0.014)
Diluted loss per share (dollars per share)		$(0.006)	($0.014)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31 Dec 24 $'000	30 Jun 24 $'000
Current assets			
Cash and cash equivalents		192,872	122,949
Trade and other receivables	6	19,721	8,340
Inventories	7	129,911	22,804
Financial assets	8	26,357	26,357
Total current assets		**368,861**	**180,450**
Non-current assets			
Financial assets	8	943	1,398
Property, plant and equipment	9	1,319,755	1,200,618
Other assets	10	-	2,458
Total non-current assets		**1,320,698**	**1,204,474**
Total assets		**1,689,559**	**1,384,924**
Current liabilities			
Trade and other payables		59,670	127,979
Lease liabilities	11	8,086	6,491
Provisions	13	3,174	2,811
Interest bearing loans and borrowings	12	360,609	232
Derivative liability measured at fair value	12	25,077	-
Total current liabilities		**456,616**	**137,513**
Non-current liabilities			
Interest bearing loans and borrowings	12	311,923	317,664
Lease liabilities	11	138,587	136,527
Provisions	13	24,314	23,148
		474,824	**477,339**
Total liabilities		**931,440**	**614,852**
Net assets		**758,119**	**770,072**
Equity			
Share capital	14	955,363	955,343
Accumulated losses		(208,699)	(196,390)
Reserves		11,455	11,119
Total equity		**758,119**	**770,072**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2024	**955,343**	**(196,390)**	**11,110**	**(130)**	**139**	**770,072**
Loss for the period	-	(15,244)	-	-	-	(15,244)
Other comprehensive loss	-	-	-	(361)	-	(361)
Total comprehensive loss for the period	**-**	**(15,244)**	**-**	**(361)**	**-**	**(15,605)**
Transactions with owners in their capacity as owners:						
Share-based payments	20	-	3,632	-	-	3,652
Transfer between equity items	-	2,935	(2,935)	-	-	-
As at 31 December 2024	**955,363**	**(208,698)**	**11,807**	**(491)**	**139**	**758,119**

	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Investment Revaluation Reserve	Foreign Currency Translation Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2023	**576,734**	**(133,226)**	**5,877**	**212**	**139**	**449,736**
Loss for the period	-	(31,019)	-	-	-	(31,019)
Other comprehensive loss	-	-	-	(239)	-	(239)
Total comprehensive loss for the period	**-**	**(31,019)**	**-**	**(239)**	**-**	**(31,258)**
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	378,762	-	-	-	-	378,762
Share-based payments	96	-	3,831	-	-	3,927
Transfer between equity items	-	1,037	(1,037)	-	-	-
As at 31 December 2023	**955,592**	**(163,208)**	**8,671**	**(27)**	**139**	**801,167**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 24 $'000	31 Dec 23 $'000
Cash flows from operating activities			
Receipts from customers		91,990	-
Cash paid to suppliers and employees		(135,160)	(19,764)
Payments for exploration and evaluation		(839)	(6,439)
Interest received		7,369	7,531
Net cash used in operating activities		**(36,640)**	**(18,672)**
Cash flows from investing activities			
Payments for plant and equipment		(253,187)	(315,498)
Payment for financial assets		-	(10,100)
Net cash used in investing activities		**(253,187)**	**(325,598)**
Cash flows from financing activities			
Proceeds from borrowings		372,286	181,251
Repayment of borrowings		(9,734)	(1,087)
Proceeds from issue of shares		-	389,943
Payment for share issue costs		-	(11,181)
Transaction costs relating to loans and borrowings		(2,634)	(1,076)
Interest and other cost of finance		(168)	(2,087)
Net cash from financing activities		**359,750**	**555,763**
Net increase in cash and cash equivalents		69,923	211,493
Effect of exchange rate fluctuations on cash held		-	-
Cash and cash equivalents at the beginning of the financial period		122,949	305,438
Cash and cash equivalents at the end of the financial period		**192,872**	**516,931**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half year financial report was authorised for issue on 14 March 2025.

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The interim consolidated financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The financial statements comprise the consolidated interim financial statements for the Group. For the purposes of preparing the consolidated interim financial statements, the Group is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Liontown Resources Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The Group has one reportable operating segment which is exploration and development of minerals in Western Australia. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

The interim report has been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Other than those disclosed below and the impact of the new Standards and Interpretations as disclosed in note 1(d), the accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2024, except for judgements regarding provisional pricing as disclosed in note 2.

(d) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable for the half year ended 31 December 2024

In the period ended 31 December 2024, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. Their adoption has not had a material impact on the disclosures and/or amounts reported in these financial statements.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Group accounting policies.

(e) Going Concern

For the half year ended 31 December 2024 the Group incurred a net loss of $15.2 million (31 December 2023: $31.0 million net loss), and experienced net cash outflows from operating and investing activities of $289.8 million (31 Dec 2023: $344.3 million).

As at 31 December 2024 the Group held cash and cash equivalents of $192.9 million (30 June 2024: $122.9 million) and had an excess of current liabilities over current assets of $87.8 million (30 June 2024 excess of current assets over current liabilities of $42.9 million) and had outstanding contractual capital commitments for the acquisition of property, plant and equipment for the Kathleen Valley Lithium Operation of $12.3 million (30 June 2024: $57.3 million).

The Group's excess of current liabilities over current assets as at 31 December 2024 is driven largely by the classification as a current liability of the convertible notes of US$250 million (A$345.1 million of interest bearing loans and the related derivative liability of A$25.1 million) that were issued to LG Energy Solution, Ltd on 2 July 2024 as a current liability. LG Energy Solution, Ltd can elect to convert the debt into shares in the Company at any time after six months from issue of the convertible notes. Notwithstanding that the conversion into equity would have no cash impact, the Company does not have an unconditional right to defer settlement of the debt owing to LG Energy Solution, Ltd for at least a 12-month period which is necessary for the debt to be classified as a non-current liability.

The Group completed the construction of the Kathleen Valley Lithium Operation processing facility necessary for first production during July 2024, and on 31 July 2024 the Group announced that it had commenced production of spodumene concentrate following the successful commissioning of the wet plant. The ramp-up of the Kathleen Valley processing plant has progressed well with plant availability, throughput and recoveries all performing strongly. Accordingly, the Company's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025.

Spot prices for spodumene concentrate and lithium chemicals remain challenging and there have been further reductions in short-and medium-term price forecasts for these products over the course of the current half-year. Countering this, the Group's Business Optimisation Program (GBOP) (which includes a range of initiatives to optimise its operational plans, reduce its cost of production, and as a result improve margins, as well as defer or cancel discretionary expenditure) has delivered in line with expectations for the period to 31 December 2024. Additionally, the Group's forecast revenue receipts have benefited from the decrease in the short and medium term forecast AUD:USD exchange rate.

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

- Pricing under several scenarios including current spot prices throughout the forecast period; and
- the continued implementation of initiatives from the GBOP.

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

Based on the performance of the Kathleen Valley Lithium Operation to the date of this report, and the continued implementation of initiatives from the GBOP, the directors reasonably believe that the going concern basis of preparation is appropriate.

2. SALES REVENUE

	31 Dec 24 $'000	31 Dec 23 $'000
Revenue from contracts with customers		
Revenue from sale of concentrate	97,025	-
Revenue from shipping and insurance services	4,399	-
Total revenue from contracts with customers	101,424	-
Provisional pricing adjustments	(1,014)	-
Total Revenue	100,410	-

The Group's principal revenue is from the sale of spodumene concentrate. The Group also earns revenue from the provision of shipping services in relation to the concentrate. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer and at the amount that reflects the consideration which the Group expects to receive in exchange for those goods or services at the time of transfer.

The Group also sells tantalum concentrate with the revenue from the sale of this by-product credited to the costs of producing spodumene concentrate.

Concentrate sales

Revenue is recognised when control of the concentrate passes to the customer. This is generally determined when title passes together with significant risks and rewards of ownership, which for Free on Board (FOB) and Cost, Insurance, and Freight (CIF) shipments of concentrate is the bill of lading date.

Customer sales contracts can contain provisional pricing at the time the product is delivered to the vessel, with the final pricing determined at a later date. The provisional price is an estimate of the consideration receivable that is highly probable of not reversing by reference to the relevant contractual price and estimated quality and quantity of the concentrate. Subsequently, the provisionally priced concentrate sales are repriced at each reporting period, by reference to updated forward market prices, until the final pricing and settlement is confirmed with these adjustments reported in the line-item 'Provisional pricing adjustments' and are presented separately from revenue from contracts with customers.

Shipping and insurance services

Where the Group's concentrate sales are sold under CIF Incoterms, the Group is responsible for providing freight/shipping services after the date that the Group transfers control of the metal concentrate to its customers. The Group, therefore, has a separate performance obligation for freight/shipping services which are provided solely to facilitate the sale of the concentrate it produces.

For CIF arrangements, the transaction price (as determined above) is allocated to the spodumene concentrate and freight/shipping services using the relative stand-alone selling price method. Shipping services revenue is generally recognised over the period in which the shipping services are being provided.

Key estimate and judgements

Judgement is exercised in estimating variable consideration. Revenue will only be recognised to the extent that that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under each contract with customers will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3. COST OF GOODS SOLD

	31 Dec 24 $'000	31 Dec 23 $'000
Cost of Goods Sold		
Mining and processing costs(1)	136,360	-
Shipping and haulage	5,658	-
Royalties	7,459	-
Depreciation and amortisation	86,701	-
Capitalised commissioning cost (refer note 9)	(39,307)	-
Inventory movements	(96,461)	-
Total Cost of Goods Sold	100,410	-

(1) Costs include mining, processing, maintenance, site administration and credits for the sale of tantalum concentrate.

Cost of sales includes the normal costs of producing and selling metal concentrate. These costs include the mining, processing and selling costs involved in generating inventories sold during the period and note 7 contains the accounting policy for the recognition and measurement of inventories. As outlined in Note 1(e), the underground mine and processing plant was not determined to be in commercial production as at 31 December 2024 and, accordingly, no depreciation or amortisation expense arising from the use of the underground mine or processing plant is included in cost of sales for the period.

Whilst in pre-commercial production, judgement is required in determining what constitutes excess costs and wastage. Liontown has adopted a common policy choice whereby excess costs are measured as the excess of the costs of production over revenue. These excess costs are capitalised to Assets under Construction (AUC) as commissioning costs, effectively creating a net nil gross margin. The excess costs arising in the current period are in line with the Company's expectations during the commissioning phase.

4. OTHER EXPENSES

(a) Exploration and evaluation expenditure

	31 Dec 24 $'000	31 Dec 23 $'000
Exploration and Feasibility Expenditure		
Kathleen Valley, WA	830	5,833
Buldania, WA	102	657
Other	5	100
	937	6,590

(b) Corporate and administration expenses

	31 Dec 24 $'000	31 Dec 23 $'000
Administration and general costs	8,866	8,323
Business development costs	-	4,132
Depreciation and amortisation	906	565
Foreign exchange loss	-	172
Personnel expenses	9,665	7,650
	19,437	20,842

(c) Share based payments

	31 Dec 24 $'000	31 Dec 23 $'000
Share based payments	3,652	3,927
	3,652	3,927

Performance rights issued under Employee Incentive Scheme
5,863,122 performance rights were issued during the half year ended 31 December 2024 as follows:

Holder	No. of Performance Rights	Expiry Date	Fair Value ($/right)	Expected Life of Rights (Years)	Total Value ($)
Managing Director	819,632	30-Jun-28	0.57	3	468,256
Managing Director	491,779	30-Jun-28	0.50	3	247,316
Managing Director	327,853	30-Jun-28	0.78	3	254,086
Other KMP and Staff	2,111,929	30-Jun-28	0.36	3	766,419
Other KMP and Staff	1,267,157	30-Jun-28	0.30	3	381,034
Other KMP and Staff	844,772	30-Jun-28	0.55	3	464,624

The performance rights comprise of 5,863,122 long term incentive rights (**LTI Rights**). 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 based on the Monte Carlo simulation pricing model where there is market based vesting conditions present, or the share price on grant date where the vesting conditions are non-market based.

5. FINANCE INCOME AND EXPENSES

Finance Income	31 Dec 24 $'000	31 Dec 23 $'000
Interest on bank deposits	7,369	8,486
	7,369	8,486

Finance Expense	31 Dec 24 $'000	31 Dec 23 $'000
Interest on lease liabilities(1)	5,932	308
Interest expense	4,169	3,091
Facility fees and charges	3,038	4,701
	13,139	8,100

(1) Includes interest on lease liabilities associated with the 15-year Power Purchase Agreement with Zenith Energy for the long-term supply of electricity for the Kathleen Valley Lithium Project, that was successfully completed in June 2024.

6. TRADE AND OTHER RECEIVABLES

Current – Trade and other receivables	31 Dec 24 $'000	30 Jun 24 $'000
Trade and other receivables [1]	15,355	5,573
Prepayments	4,366	2,767
	19,721	8,340

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

Receivables are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss. The classification of receivables at initial recognition depends on the receivable's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables are initially measured at the transaction price determined in accordance with the accounting policy for revenue. All other receivables are initially measured at fair value.

Trade receivables may be subject to provisional pricing and are exposed to the commodity price risk which causes such trade receivables to fail the solely payments of principal and interest (SPPI) test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements in fair value being recognised in the comprehensive income statement.

There are no contract assets, for which consideration is conditional that have been recognised from contracts with customers. Other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

The Group recognises an allowance for estimated credit losses (ECLs) for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The expected credit loss is based on its historical credit loss experience in the past two years, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment. As at 30 June 2024 no allowance for ECLs has been recognised as it is expected that all receivable amounts will be received in full when due. No impairment expense was recognised in relation to receivables for the 2024 and 2023 financial years.

7. INVENTORIES

Current – Inventories	31 Dec 24 $'000	30 Jun 24 $'000
Concentrate – at cost	24,915	-
Ore stockpiles – at cost	94,460	22,804
Stores and consumables – at cost	10,536	-
	129,911	22,804

Concentrate stockpiles and ore stockpiles are surveyed and valued at the lower of cost and net realisable value. Costs represent the weighted average cost and includes direct materials, direct labour, depreciation and an appropriate portion of fixed and variable production overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Consumables and spares are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock based on weighted average cost. Any allowance for obsolescence is determined by reference to specific stock items identified.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

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

8. FINANCIAL ASSETS

Current – Financial assets	31 Dec 24 $'000	30 Jun 24 $'000
Bank and other guarantees	26,357	26,357
	26,357	26,357

Non-current – Financial assets	31 Dec 24 $'000	30 Jun 24 $'000
Investment in equity securities	657	1,204
Other financial assets	286	194
	943	1,398

(a) Investments in equity securities

The Board view investment in equity securities 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 the financial asset is level 1 in the fair value measurement hierarchy.

(b) Bank and other guarantees

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 has $25 million in an interest-bearing account with EFA.

9. PROPERTY, PLANT AND EQUIPMENT

31 Dec 24	Mine Properties $'000	Plant and equipment $'000	Right-of-use assets $'000	Assets under construction $'000	Total $'000
Cost	199,068	80,709	148,467	1,000,025	1,428,269
Accumulated depreciation	(92,349)	(5,688)	(10,477)	-	(108,514)
Net book value	**106,719**	**75,021**	**137,990**	**1,000,025**	**1,319,755**
Opening net book value	181,643	71,127	136,710	811,138	1,200,618
Additions	9,128	119	7,365	195,508[(1)]	212,120
Disposals	-	-	-	-	-
Transfers	-	6,621	-	(6,621)	-
Depreciation charge	(84,052)	(2,846)	(6,085)	-	(92,983)
Net book value	**106,719**	**75,021**	**137,990**	**1,000,025**	**1,319,755**

(1) The excess of the costs of production over revenue relating to sales made from the commencement of production on 31 July 2024 to 31 December 2024 of $39.3 million have been capitalised to AUC as commissioning costs.

30 Jun 24	Mine Properties $'000	Plant and equipment $'000	Right-of-use assets $'000	Assets under construction $'000	Total $'000
Cost	189,940	73,969	141,102	811,138	1,216,149
Accumulated depreciation	(8,297)	(2,842)	(4,392)	-	(15,531)
Net book value	**181,643**	**71,127**	**136,710**	**811,138**	**1,200,618**
Opening net book value	9,520	4,556	4,578	310,805	329,459
Additions	69,457	3,025	136,032	672,874	881,388
Disposals	-	(317)	(221)	-	(538)
Transfer between classes	110,963	66,373	-	(177,336)	-
Depreciation charge	(8,297)	(2,510)	(3,679)	4,795	(9,691)
Net book value	**181,643**	**71,127**	**136,710**	**811,138**	**1,200,618**

At 31 December 2024 the Group had outstanding contractual capital commitments for the acquisition of property, plant and equipment of $12.3 million (30 June 2024: $57.3 million) which are expected to be settled prior to 31 December 2025. These contractual commitments relate to contracts the Company has entered into for the Kathleen Valley Lithium Operation that were not required to be recognised as liabilities at 31 December 2024.

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 Operation. Zenith Energy will build, own and operate the power station, exclusively for the Company, and commissioned occurred mid 2024. Liontown's contractual exposure relates to termination costs of $147.9 million as at 31 December 2024.

10. OTHER ASSETS

	31 Dec 2024 $'000	30 Jun 24 $'000
Borrowing costs	-	2,458

Borrowing costs relate to the five-year US$250 million convertible notes issued to LG Energy Solution, Ltd. The facility was fully executed and drawn down in July 2024 and the borrowing costs transferred to offset borrowing liabilities in the consolidated statement of financial position and is being amortised over the term of the debt facility (refer note 12).

11. LEASE LIABILITIES

	31 Dec 24 $'000	30 Jun 24 $'000
Current	8,086	6,491
Non-current	138,587	136,527
Total lease liability	**146,673**	143,018

	31 Dec 24 $'000	30 Jun 24 $'000
Reconciliation		
As at 1 July	143,018	6,039
Additions to lease liability	7,335	136,671
Interest on lease liabilities	5,932	3,353
Lease repayments (cash)	(9,612)	(3,045)
	146,673	**143,018**

12. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings and related derivatives for the Group are as follows:

	31 Dec 24 $'000	30 Jun 24 $'000
Current		
Debt facility[1]	15,237	-
Unsecured convertible notes	345,140	-
Other loans	232	232
	360,609	232
Non-Current		
Debt facility[1]	311,454	316,955
Other loans	469	709
Total Interest bearing loans and borrowings	311,923	317,664
Related derivatives (Current)		
Derivative liability measured at fair value	25,077	-
	25,077	-

(1) Funding Facility with a subsidiary of the Ford Motor Company. Current portion relates to repayments that are due within 12 months.

Reconciliation of the movement in interest bearing loans and borrowings:

	31 Dec 24 $'000	30 Jun 24 $'000
As at 1 July	317,896	115,234
Additions	369,651	182,131
Capitalised interest	23,605	20,640
Payments	(116)	(109)
Non-cash movement (Fair value, FX)	(13,427)	-
	697,609	**317,896**

Unsecured Convertible Note with LG Energy Solution, Ltd

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

On 4 July 2024 the Company announced that it had issued the Convertible Notes to LG Energy Solution, Ltd having received the full proceeds under the Convertible Note Subscription Agreement.

The Convertible Notes are convertible at the option of LG Energy Solution, Ltd into ordinary shares, either in whole or in part, at the conversion price of $1.80 per ordinary share any time after 4 January 2025 up until the date that is five business days prior to the maturity date.

LG Energy Solution, Limited received approval for this transaction from the Foreign Investment Review Board on 28 February 2025. For further information, please refer to the Company's announcement on 2 July 2024 titled "Strategic partnership with LG Energy Solution to deliver long-term funding for Kathleen Valley". The key terms of the Convertible Notes are provided below:

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

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

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

Convertible Notes proceeds	$'000
Nominal value of Convertible Notes issued[1]	**372,286**
Transaction fees	(2,634)
Net Convertible Notes proceeds	**369,652**
Accounting treatment at inception	
Interest bearing loans	300,862
Derivative financial liability	68,790
Total current liabilities at inception	**369,652**
Convertible Notes interest [2]	13,851
Gain on revaluation of embedded derivative	(43,713)
Foreign currency revaluation loss	30,427
Carrying amount at 31 December 2024	**370,217**

(1) Converted using an exchange rate of AUD:USD of 0.6715.
(2) Amortisation from discount value to par using the effective interest rate method

13. PROVISIONS

	31 Dec 24 $'000	30 Jun 24 $'000
Current		
Annual leave	2,946	2,618
Other accrued employee entitlements	228	193
	3,174	2,811
Non-Current		
Restoration and rehabilitation	24,219	23,073
Provision for long service leave	78	58
Other provisions	17	17
	24,314	23,148

14. SHARE CAPITAL

	31 Dec 24		30 Jun 24	
	$'000	Number ('000)	$'000	Number ('000)
Fully paid ordinary shares	955,363	2,426,609	955,343	2,425,005
Total share capital on issue at end of period	955,363	2,426,609	955,343	2,425,005
Movements in ordinary shares on issue:				
On issue at beginning of the period	955,343	2,425,005	576,734	2,202,255
Shares issued during the period	20	37	389,741	218,275
Exercise of options/vesting of performance rights	-	1,567	298	4,475
Issue cost	-	-	(11,430)	-
On issue at end of period	955,363	2,426,609	955,343	2,425,005

15. RELATED PARTIES

The aggregate amounts recognised during the half year relating to key management personnel (KMP) and their related parties are as follows:

	31 Dec 24 $	31 Dec 23 $
Mining consulting services [1]	5,720	26,950
	5,720	26,950

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

Amounts payable to KMP and related parties at reporting date arising from related party transactions was $Nil (31 December 2023: $Nil).

16. EVENTS SUBSEQUENT TO REPORTING DATE

On 17 February 2025, the Group's Board approved the declaration of commercial production at the Kathleen Valley processing plant with effect from 1 January 2025. As a consequence, capitalisation of costs will cease and full depreciation and amortisation of the Kathleen Valley processing plant will be recognised in the financial statements.

There has not been any other matter or circumstance that has arisen since the end of the half year which 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 periods.

DIRECTORS' DECLARATION

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

   (a) The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:

      i. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year then ended; and

      ii. complying with Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

   (b) There are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

Antonino Ottaviano
Managing Director

Dated this 14th day of March 2025.

Deloitte.

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

Conclusion

We have reviewed the half-year financial report of Liontown Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 12 to 28.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year 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 and 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 annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 14 March 2025