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Kalgoorlie Miner Regional WA Goldfields


Downstream processing flagged for Goldfields lithium hopeful Liontown Resources

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 The second reverse-circulation campaign at Liontown Resources' Kathleen Valley lithium project, near Leinster, has started. Credit: Liontown Resources



Liontown Resources believes there is merit in developing a downstream processing plant to produce battery-grade products at its flagship lithium project near Leinster.

The lithium hopeful yesterday unveiled a downstream scoping study for its Kathleen Valley project.

The study points to two options that could see Liontown forking out \$1.1 billion for a lithium hydroxide monohydrate refinery that would drum up after-tax free cashflow of

The other option would involve the lithium explorer shelling out \$900 million for a lithium sulphate monohydrate refinery that is expected to rake in \$13.7b in after-tax free cashflow, also for a 40-year mine life. The study by Lycopodium Minerals tipped both options to be paid off in three years.

Yesterday's announcement came within a fortnight of Liontown revealing an updated pre-feasibility study showing improved economics at Kathleen Valley.

That saw the net present value of the project double to \$1.1 billion, with the internal rate of return increasing from 25 per cent to 37 per cent.

The upgrade reflected an updated mineral resource estimate from May which stated an ore reserve of 71Mt at 1.4 per cent lithium and 130ppm tantalum pentoxide.

That would extend Kathleen Valley's mine life by 14 years to 40 years. The capital costs of developing the project rose from \$240.5m to \$325m. But the study said annual production would also rise from 295,000t of spodumene concentrate to 350,000t based on a 2Mtpa operation.

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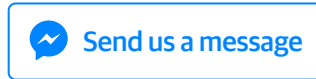
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