

Liontown to accelerate lithium development at Kathleen Valley

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Image: Liontown Resources

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Liontown Resources has received firm commitments for an \$18 million capital raising to continue exploration and development of its lithium projects in Western Australia.

The majority of the capital will be used to full-fund the definitive feasibility study (DFS) of the Kathleen Valley lithium-tantalum project, which is expected to be completed in 2020.

Liontown plans to further expand Kathleen Valley, which is Australia's fifth largest lithium mineral resource of 74.9 million tonnes at 1.3 per cent lithium oxide and 140 parts per million tantalum pentoxide.

The company also continues its drilling program at the Buldania lithium project in the Eastern Goldfields region of Western Australia, targeting extensions to the Anna pegmatite as well testing spodumene-bearing pegmatites within Liontown's broader project area.

Liontown aims to establish a maiden JORC resource at Buldania by the fourth quarter of this year.

The company directors are supporting the capital raising, applying for \$1.43 million collectively.

“This sends a strong signal to investors about our confidence in the quality of these assets,” Liontown managing director David Richards said.

“The majority of the funds raised will be allocated toward ongoing work at Kathleen Valley, including a new drilling program to expand the deposit and studies to deliver the pre-feasibility study in the fourth quarter this year.”

The capital raising will comprise a \$16.57 million placement via the issue of over 138 million new shares to investors, and a \$1.43 million placement via the issue of nearly 12 million new shares to Liontown directors at \$0.12 a share.

The Deloitte Western Australian Index recognised Liontown as one of the three largest top 100 movers in terms of market capitalisation growth, growing by 396 per cent from \$31 million to \$153 million in the 2019 financial year.

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