

Liontown blows exploration target out of water

LIONTOWN Resources has been hinting for some time of a major resources boost for its Kathleen Valley lithium-tantalum resource near Leinster, Western Australia, and it has delivered this morning with a 353% increase – blowing its exploration target out of the water.



Exploration / Development > Resource-definition

Kathleen Valley now costs a75 million grading 1.3% lithium and 140ppm tantalum for 2.5Mt of lithium carbonate equivalent and 23 million pounds of Ta₂O₅.

Comments

Based on September's maiden 21.2Mt at 1.4% lithium and 170ppm tantalum, it had expected the resource to come in around 40-52Mt grading 1.2-1.5% Li₂O.

Share

Haydn Black

Reporter

More than 80% of the resource is classified as measured or indicated, and to date there is no indication it has closed off, being open along strike and at depth.

The new resource was calculated on some 43,000m of RC and 4500m of diamond drilling completed by Liontown since it picked up the project in early 2017, particularly the last three months of intensive drilling that has defined some of the best mineralisation outside the initial pit area.

The much larger resource will be fed into the ongoing studies with a prefeasibility study due before the end of the year, and a definitive study expected about one year after that.

The company described Kathleen Valley as "one of the few new, significant lithium projects of scale currently being progressed towards development in Australia over the next 2-3 years".

The deposit, 670km north of Perth, sits within a granted mining lease, close to established, modern infrastructure. It should be easily mineable and conducive to conventional processing.

Last year's scoping study defined a commercially-robust, A\$232 million operation feeding 2Mtpa plant capable of producing around 360,000tpa of spodumene concentrate at cash cost around \$300 per tonne, with any tantalum concentrate cream on the top.

Liontown shares were up 14.3% on the news to 12c, valuing the company at \$137 million. It has traded between 1.9c-12.5c over the past year.



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