

Liontown Resources pulls up highest-grade lithium intersection at Kathleen Valley

By

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Liontown Resources' highest-grade intersection at Kathleen Valley is now 12m at 3.1% lithium.

Advanced lithium explorer [Liontown Resources \(ASX: LTR\)](#) has pulled up its highest-grade lithium intersection to-date while drilling at the Kathleen Valley project in Western Australia.

The company claims the latest drill results are "exceptional", thick and high-grade and confirm the project's potential for "substantial" resource growth.

Notable intersections were 12m at 3.1% lithium from 218m, including 9m at 3.8% lithium; 64m at 1.2% lithium from 321m, including 9m at 1.9%

lithium from 342m; and 55m at 1.7% lithium from 301m, including 12m at 2.2% lithium from 312m.

Liontown managing director David Richards said the resource extension drilling has provided “clear evidence” of the project’s resource upside potential.

He added Kathleen Valley was continuing to emerge as one of the “more significant” lithium-tantalum deposits in Australia.

Kathleen Valley has a current resource of 74.9 million tonnes at 1.3% lithium and 140 parts per million tantalum.

Latest drill results have revealed mineralisation remains open north-west and down dip, with 1.4km of strike firmed up and mineralisation identified to extend at least 400m below surface.

The results are part of a 15,000m campaign, but Mr Richards said additional drilling will be required to “fully delineate the potential of this high-quality lithium-tantalum resource”.

Liontown has established a resource extension exploration target between 25-50Mt at 1.2-1.5% lithium.

Advancing Kathleen Valley

The company is in the process of finalising a pre-feasibility study and reserve estimate for Kathleen Valley with both due to be published before the end of the year.

Results from the latest drilling program will be incorporated in an updated resource which will then underpin a definitive feasibility study which is scheduled to start next year.

A scoping study published in January this year revealed capital outlay of \$232 million would be required to establish a 2Mtpa plant.

Expected production was 360,000tpa of spodumene concentrate grading 5.6%, with annual cashflow of \$100 million estimated.

The study was based on a mineral resource of 21.2Mt at 1.4% lithium and 170ppm tantalum.

In early morning trade, Liontown's share price had lifted 4.8% to \$0.11.