

Liontown roars on pegmatite stunner

LIONTOWN Resources recorded the highest grade intersection ever at Kathleen Valley, a drilling result strong enough to break through the miasma of market disinterest in the lithium space.



Exploration / Development > Discovery

The ongoing RC/diamond program returned 13.1m at 3.1% lithium, including 10.4m at 3.8% from 299.9m.

Comments

The discovery of additional thick mineralisation will have turned the heads of lithium bulls, with other hits including 27m grading 1.4% and 33.4m at 2% lithium in drilling that has stepped out 400m from the mid-2019 resource estimate.

Share

Haydn Black

Reporter

The campaign continues to confirm the continuity of the Kathleen Valley lithium system over a strike that has been extended to 1.7km and remains open to the north and at depth, representing one of Australia's largest lithium deposits.

Liontown said the plunge extension of the high-grade feeder which is interpreted to be formed from multiple pegmatites coalescing at depth to form a single zone up to 75m thick.

An interim upgraded resource, largely inferred, will be released mid-month to help assess if the company has reached its exploration target goal of between 25-50 million tonnes at 1.2-1.5%.

Drilling will continue until the end of the month with five rigs focused on finalising measured and indicated resources to support the planned definitive feasibility study later this year.

Resources were estimated in mid-2019 at 74.9Mt at 1.3% and 130 parts per million tantalum.

December's pre-feasibility generated a maiden reserve of 50.4Mt at 1.2% Li₂O.

Based on open pit mining at a rate of 2Mtpa, the PFS indicated free cash flow of A\$1.9 billion, excluding tantalum credits, over the 26 year life of the mine.

Pre-production cost are estimated at \$240 million.

The new resource estimate will encompass both open pit and underground resources, with the company's goal to become the first new generation Australian hard rock lithium project to examine an early decline to accesses the higher-grade Mount Mann pegmatites.

Liontown started the year with \$11.7 million in cash.

Shares in the explorer were up 6% to 8.4c in midday trade, valuing it at \$129 million. Its shares are well below July's peak of 18c, but significantly above the 2c level of February 2019.



Aspermont

Information for Industry

Copyright © 2000-2020 Aspermont Ltd. All rights reserved. Aspermont Limited (ABN 66 000 375 048), PO Box 78, Leederville, Western Australia 6902