

# Liontown speeds up schedule for Kathleen Valley

LITHIUM-focused Liontown Resources is determined to bring its product to market a year earlier than planned to meet a looming supply gap, managing director and CEO Tony Ottaviano told Diggers & Dealers in Kalgoorlie on Wednesday.



Liontown Resources is speeding up development plans for its Kathleen Valley lithium project in WA

## Energy Minerals > Events-coverage

Liontown is aiming to deliver a definitive feasibility study for its Kathleen Valley project in Western Australia by year-end and be in production in 2024.

Comments

"We have accelerated our timeline by one year," said Ottaviano, who left BHP to join the junior in May to drive the development.

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"We're planning for 2024 where we see that major structural deficit presenting itself and supply will be harder than people think to bring on.

"We see the lithium global market growing at 19%, but we see the sector that we're placed in, the lithium hydroxide sector, growing even more at 25%.

"We have the right product for the right market in the right time."

The company announced earlier this week it would pay A\$30.25 million to Ramelius Resources to terminate its royalty on Kathleen Valley, which was expected to result in a reduction in operating costs of about US\$10 per tonne for 6% Li<sub>2</sub>O concentrate over the life of mine.

A preliminary feasibility study has pointed to a 40-year mine at Kathleen Valley, that has a 156 million tonne resource at 1.4% Li<sub>2</sub>O, which Ottaviano said was only behind Greenbushes and Mt Holland in terms of size and grade.

"With a 40-year mine life, we can underpin if we decide to go downstream and build a refinery, which we are studying at the moment - we released our scoping study and the financials are compelling," Ottaviano said.

He said the company had the advantage of being second mover and watching what worked with the three refineries being built in WA.

He also hoped to see more transparent pricing in the sector as it matured.

"That opaqueness of the price requires developers such as us to lock away offtake arrangements with both a floor and a cap on our price to give that surety to the banks, whereas if we had an openly traded index that was reliable and it gave us a forward-looking outlook, you'd see more investment coming on," he said.

"I wish I was a gold player where I didn't have to worry about supply and demand," he quipped.

"I think most gold players wish they were a lithium player at the moment," session chair Canaccord Genuity executive director institutional sales Digby Gilmour replied.

## **Net zero**

Liontown is also targeting net zero emission in 10 years.

"We will have from day one at least 50% renewables, as part of our design," Ottaviano told delegates.

"My 30-plus years in the business has taught me that there is a golden opportunity here that doesn't present [to] us too often, where I've got a clean sheet, to be able to build something and remove the mistakes and some of the learnings that I've had over the past years, and getting good process, getting good discipline around your data, so that you can be measured, and therefore tracked, in regard to your ESG commitments."

The company's first sustainability report would be incorporated in the DFS, he said.

Ottaviano said Liontown would target further lithium potential at its 15Mt Buldania lithium project, south of Kathleen Valley, later this year.

The company recently announced plans to demerge its early-stage Moora and Koojan gold-copper-PGE-nickel projects.

It received firm commitments in July to raise A\$52 million at 76c per share to advance Kathleen Valley.

Liontown shares have risen from 12c a year ago to peak at 97.5c this week.

At yesterday's close of 93.5, the company is capitalised at \$1.77 billion.



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