

already spent \$100 million of the sion that it does use

Learning from past mistakes

■ Stuart McKinnon

Aspiring lithium miner Liontown Resources is hoping to avoid the mistakes of some of the sector's early movers by nailing down the metallurgy of its ore and making sure its plant design is right for optimum recovery rates.

Speaking to *WestBusiness* yesterday after a scoping study revealed a robust set of numbers for Liontown's Kathleen Valley lithium project, 60km north of Leinster, chairman Tim Goyder said he was feeling "comfortable" but "excited" about his 20 per cent investment in the company.

"Sometimes it's better to be the second, third or fourth player," he said.

"It's been drummed into us by the Lyco's guys (study consultants Lycopodium), get your met' right, get your flowsheet right and then you're going to cut down the risk of not achieving the recoveries you want."

To this end, Liontown Resources recently appointed metallurgy specialist and Lycopodium director Steve Chadwick to its board.

Yesterday's scoping study put a \$232 million price tag on developing Kathleen Valley, based



Drilling activities continue at Liontown Resource's Kathleen Valley lithium project north of Leinster.

on a 2Mtpa open-cut operation, producing about 360,000t of spodumene concentrate over a nine-year minelife.

It estimated a net present value \$421 million and an internal rate of return of 38 per cent.

The project, which includes a tantalum resource and sits on a granted mining licence, is expected

to pay for itself within three years and generate free cashflow of \$762 million over its initial life.

Liontown yesterday announced a 1600m drilling program aimed at expanding the 21.2Mt resource at Kathleen Valley and extending its mine life to at least 12 years.

The company will spend the rest of the year finalising a feasibility

study for the project ahead of a final investment decision expected early next year.

Former Colonial First State analyst Chris Baker, of Sydney-based Bridge Street Capital Partners, has put a 12¢ valuation on Liontown.

Its shares closed steady yesterday at 2.4¢.