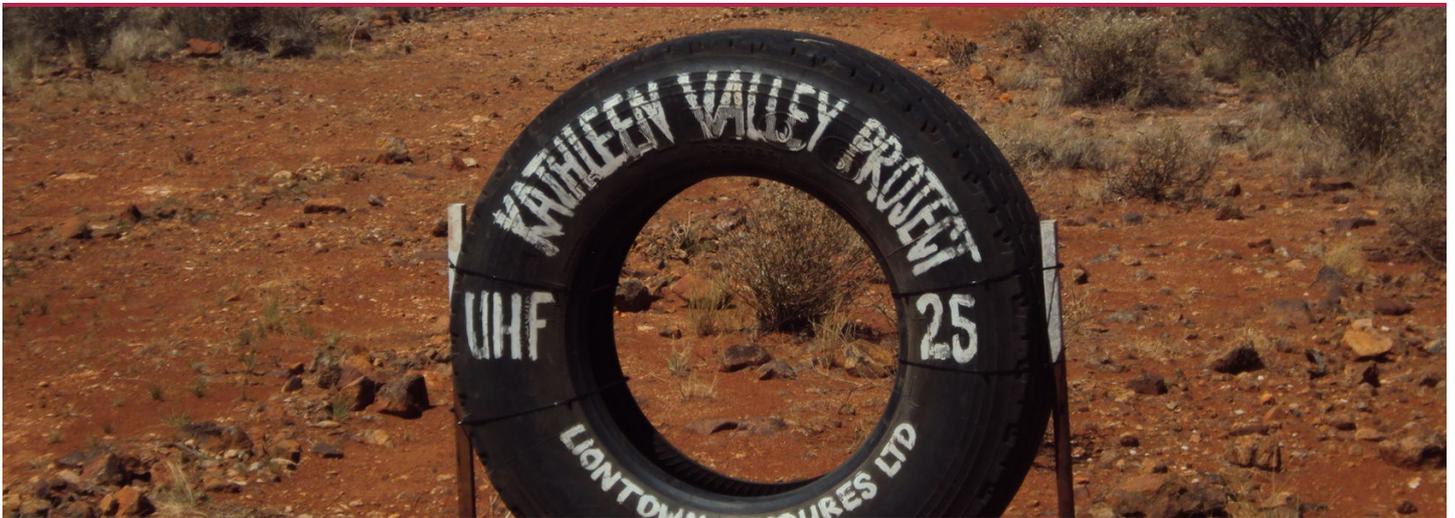


# Step-out drilling grows Lontown's Kathleen Valley

THE return of drilling rigs to Lontown Resources' flagship Kathleen Valley deposit, near Leinster in Western Australia, has delivered an early win with resource expansion drilling proving the mineralisation continues some 400km north of the main deposit.



## Exploration / Development > Resource-definition

The first three holes of the latest 15,000m RC and diamond drilling campaign, the first since July's big resource upgrade, has proven the presence of thick, high-grade lithium over a 1.4km strike, and the trend remains open, not only to the north-west, but both up-dip and down-dip.

## Comments

Reported intersections include 29m at 1.3% lithium oxide from 256m with 13m at 1.8% Li<sub>2</sub>O from 261m, and 16m at 1.9% Li<sub>2</sub>O from 294m, including 8m at 2.2% Li<sub>2</sub>O from 294m and 2m at 2.3% Li<sub>2</sub>O from 305m.

## Share

## Haydn Black

## Reporter

The company has been drilling up-dip of the thick, high-grade feeder zone partially defined in earlier drilling with earlier hits such as 83m at 1.5% Li<sub>2</sub>O.

The early numbers bode well for the planned resource estimate update, with Lontown looking to bump "Australia's fifth largest lithium deposit" into a higher position.

Kathleen Valley has some 75 million tonnes grading 1.3% Li<sub>2</sub>O and 140 parts per million tantalum, and the potential for underground reserves and resources.

The program is testing a 25-50Mt at 1.2-1.5% Li<sub>2</sub>O down to 500m.

Work to date suggests the strike could be around 2km, and is confirmed to at least 400m depth, with the pegmatites getting thicker, and more coherent, at depth.

The data from the program will feed into the 2020 definitive feasibility study, which is expected to begin as soon as open pit prefeasibility and underground scoping studies are wrapped up.

The earlier scoping study suggested a A\$232 million operation can be developed, producing 360,000tpa of spodumene concentrate at cash cost around \$300 per tonne, with any tantalum concentrate cream on the top.

The company describes 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", in part because it sits in a granted mining lease.

It is only two years since it secured the lithium rights from Ramelius Resources.

The company raised \$15 million at 12c mid-year to fund the Kathleen Valley drilling and its recently completed second program at Buldania, where a maiden resource is planned for next month.

Liontown shares were last traded at 9c, valuing the company at \$152 million.



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