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Liontown looks ahead on lithium

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Liontown Resources boss David Richards predicts the lithium market will have recovered by the time its Kathleen Valley project enters production in 2024.

The Tim Goyder-chaired explorer yesterday put a \$240.5 million price tag on the project near Leinster based on a 2 million tonne per annum operation producing 295,000tpa of spodumene concentrate.

Kathleen Valley is expected to generate about \$84 million in free cashflow annually over an initial 26-year mine life.

Mr Richards said it appeared the lithium market had bottomed and he

expected an improvement over the next 12-18 months.

"With Kathleen Valley, we have the flexibility to align with the return of demand in the market so we're not that concerned about the short term," he said.

The results of a Lycopodium-led pre-feasibility study on Kathleen Valley gave a net present value on the project of \$507 million and an internal rate of return of 25 per cent.

Mr Richards noted the company was expecting to add to its 50.4Mt reserve at the project with a resource upgrade before the end of March. That would feed into a definitive feasibility study which would also

consider the tantalum potential of the resource and the option of pursuing an underground extension of the mine.

"If we can concurrently mine underground, we can increase the throughput, it means we can get into higher grade earlier, it reduces our environmental footprint, there's a whole bunch of reasons why we should contemplate an underground component into the DFS," Mr Richards said.

Another WA lithium player, Altura Mining, yesterday said it would refinance a \$US125 million senior secured loan with a 15 per cent interest rate on more favourable terms.