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Mt Holland Lithium Project update

Wesfarmers Limited (ASX: WES) today provided an update on the Mt Holland lithium project. Following completion of the definitive feasibility study (DFS), a final investment decision on the project has been deferred to enable additional actions to enhance the long-term value of the project.

In November 2019, Covalent Lithium, the joint venture company jointly owned by Wesfarmers and Sociedad Quimica y Minera de Chile S.A. (SQM), completed the DFS on the Mt Holland lithium project. The project includes the construction of a mine and co-located concentrator at Mt Holland and a lithium hydroxide refinery in Kwinana. The DFS confirmed that the Mt Holland lithium project presents a world-class opportunity to develop an integrated large-scale, long-life and high-grade operation in Western Australia.

Following review of the DFS, Wesfarmers and SQM have agreed to undertake additional work which will result in the deferral of the final investment decision on the project to the first quarter of calendar year 2021. Key actions include:

- conducting further work to optimise project design to reduce capital and operating costs
- exploring opportunities to improve utility and infrastructure solutions for the project
- investigating initiatives to further leverage WesCEF's existing capabilities including by providing shared services and reducing operating costs
- ongoing discussions with key customers to ensure product specifications are aligned with continued changes in battery chemistry

Wesfarmers Managing Director Rob Scott said these actions are expected to benefit the Mt Holland lithium project and support a final investment decision in 2021.

"Once completed, the project is expected to play an important role in the global lithium hydroxide market with a long-term outlook that remains attractive," Mr Scott said.

SQM Chief Executive Officer Ricardo Ramos said that its partnership with Wesfarmers supports a world-class lithium project in Western Australia.

"Our work to date confirms that Mt Holland is a high-quality project which will play an important role in the global lithium market. We are pleased with the work that has been done with Wesfarmers since they joined the project and believe it will continue to benefit from their significant local infrastructure, experience and capability in chemical processing," Mr Ramos said.

For more information:

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This announcement was authorised to be given to the ASX by the Wesfarmers Limited Board.