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Larvotto nets \$3.4m lithium exploration boost

NEIL WATKINSON

A \$3.4 million deal with a Canadian investment fund will accelerate lithium exploration at the Eyre project east of Norseman, Larvotto Resources says.

The West Perth-based explorer told the ASX on Tuesday it had signed a royalty, equity and offtake agreement with Lithium Royalty Corp.

Larvotto said the binding agreement involved a \$700,000 cash payment by Lithium Royalty Corp for a one per cent gross revenue royalty over lithium and all other pegmatite materials; a \$2 million cornerstone equity investment and free attaching options; and a \$700,000 cash payment by Lithium Royalty Corp as consideration for a 20 per cent offtake investment.

The \$2 million equity investment involves \$200,000 from Lithium Royalty Corp, and the remaining \$1.8 mil-



Larvotto managing director Ron Heeks and non-executive director Anna Nahajski-Staples. Picture: Carwyn Monck

lion from the Waratah Capital electrification and decarbonisation fund.

Larvotto said Waratah Capital managed more than C\$4 billion in assets and was the founding sponsor of Lithium Royalty Corp.

Larvotto Resources managing director Ron Heeks said bringing a substantial North American

institutional fund on to the register would allow the company to accelerate its lithium exploration at the Merivale prospect and other areas in the Eyre Project.

“This working capital injection significantly improves our balance sheet and enables Larvotto to confidently progress our various drill programs into

2023,” he said. “\$3.4 million from a highly experienced lithium investor such as Lithium Royalty Corp and the Waratah Capital-managed E&D Fund is a strong endorsement of the exciting lithium potential demonstrated so far at our Eyre Project in WA.”

Larvotto Resources listed on the ASX in December last year with a \$6 million initial public offering.

It is focused on exploring three major projects — the Mt Isa copper, gold, and cobalt project in Queensland, a gold project at Ohakuri in New Zealand’s North Island, and the Eyre multi-metals and lithium project 30km east of Norseman.

The company said the 690sqkm Eyre tenement package had been under-explored for lithium.

Larvotto’s stock rose 8¢, or 39 per cent, to 28.5¢ on Tuesday on the announcement, and closed at 25¢. It was in a trading halt on Wednesday.