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Mining

US billionaire ups stake in ASX mid cap lithium play

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Special Report: Centaurus Capital's recent move to increase its stake in Ioneer is a show of support for the company as it progresses the Rhyolite Ridge lithium-boron project.

US-based Centaurus Capital is the investment fund of American billionaire John Arnold, who built his fortune in trading energy futures and is primarily focused on philanthropic activities with his wife.

In recent years, Arnold – who is worth \$3.3bn – has invested in solar farms and deepwater oil developments in the Gulf of Mexico.

As a result he has a keen understanding of the energy sector, and the fact that his fund has been steadily growing its stake in Ioneer (ASX:INR) is certainly telling.

Centaurus first became a substantial holder in the company in November last year after acquiring 100 million shares priced at 20c each, or half of Ioneer's \$40m institutional placement.

This took its total shareholding up to 131,558,476 shares, or 7.84 per cent.

Centaurus followed up on this big buy late last month, acquiring a further 23 million Ioneer shares to take its stake in the company up to 9.2 per cent.

That the fund is building up its interest in Ioneer as it progresses towards the release of a definitive feasibility study for Rhyolite Ridge this quarter could indicate that Centaurus might be contemplating a potential partnership in the project.

Ioneer's Rhyolite Ridge is a large, shallow lithium-boron deposit that the pre-feasibility study estimated would produce 20,000 tonnes of lithium carbonate and 173,000 tonnes of boric acid per annum at full capacity from a resource containing 12.4 million tonnes of boric acid and 1.3 million tonnes of lithium carbonate.

A pilot plant has already demonstrated the project's ability to produce high-quality lithium and boron products, with samples sent to 30 potential offtake partners.

Analyses by SGS Canada have also confirmed that lithium carbonate produced from the pilot plant had low levels of key impurities that are in line with or less than amounts accepted by customers.