

One World Lithium Inc.

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Explosive demand for energy storage stokes future for One World Lithium

Energy storage sounds very much like a prosaic industry, but it is poised for a boom. One World Lithium (CSE:OWLI) hopes to be part of the explosive growth.

Tim Brock, a consultant to One World Lithium, or OWL, believes that a junior company with an eye on eventual production must strive to be a low-cost producer with a long-term supply contract. "One World Lithium has the potential to do this," he said.

OWL has reason to be excited, given the particulars of its Salar del Diablo property in the State of California Baja Norte, Mexico. The project covers a large closed basin that provides a compelling exploration setting for the presence of lithium in brines. The Salar del Diablo project has the potential to be a low-cost producer, one reason being that it sits about 35km from San Felipe, a cost-efficient regional service center with a deep-water port that could ship lithium carbonate to customers in Asia and the rest of the world, Brock explained.

One World Lithium has an option to acquire up to a 90% interest from the New Energy Discovery Group. The company currently has a 60% working interest and on completion of the initial drilling program will have earned an additional 20% working interest with an option to purchase an additional 10% on receipt of a bankable feasibility study.

OWL expects to have an OTCQB listing in September as well as to be interlisted on the Frankfurt Exchange.

Lithium has multiple industrial applications, including lithium-ion batteries, heat-resistant glass and ceramics, lithium grease lubricants, plus as an additive for iron, steel and aluminum. All told, this creates demand greater than current world supply.

Demand for lithium-ion batteries for electric cars, storage, and mobile devices by manufacturers in Asia, Europe and North America, has mixed with supply trends to drive lithium prices significantly higher.

The price of lithium is up 870% since 2005, and 177% in the last year alone.

In addition, countries are beginning to set dates after which all vehicles sold must be non-internal combustion.

Brock believes several trends will influence the energy storage industry through 2025.

Demand for lithium carbonate will more than double to 600,000 tonnes by 2025 from 270,000 tonnes in 2018. Meanwhile, supply should rise to between 500,000 and 700,000 tonnes in 2025, compared with about 200,000 tonnes at present.

Price: C\$0.14

Market Cap: C\$11.69M

1 Year Share Price Graph



Share Information

Code: OWLI

Listing: CSE

52 week
High C\$0.28
Low C\$0.12

Sector: General Mining - Lithium

Website: oneworldlithium.com

Company Synopsis:

One World Lithium Inc. 's exploration focus is to acquire lithium in brine prospects of merit with the potential to be low cost producers with a long term supply contract.

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Lithium supplies currently dominated by Albemarle Corp., SQM and FMC Corp. "may be challenged as more independent production of lithium comes on line," Brock notes.

All of this is keeping the energy storage industry on the boil.

The Salar Property is slated for drill-testing in late October 2018. Plans call for 4,000m of drilling at 11 drill site locations to intersect possible lithium bearing aquifers. The pre-drilling results from geochemical, geophysical and geological work defined over 60 sq. km of potential lithium in brine aquifers (formations). The Salar is approximately 8,000 feet deep, which gives the potential for stacking of more than one aquifer going to depth.

There are five geological conditions that must be present in order to successfully explore for a lithium-in-brine deposit. These are a closed basin, meaning that no fluids can escape; presence of hot springs; a volcanic source of lithium; faults to transport the lithium to the Salar; and a regional heat source. The Salar del Diablo meets all of these necessary conditions. As a comparison, these conditions are also present at the Salar de Atacama, which is a similar size to the Salar del Diablo.

OWL has been in discussions with potential buyers as well as offers to joint venture future exploration but elected to drill the property on its own.

The market is watching in anticipation as the Salar del Diablo project is one of the largest lithium-in-brine prospects to be drilled in 2018.

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