

Millennial Lithium

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Millennial Lithium one to watch in emerging sector as it moves towards bankable feasibility at exciting Argentina project

Despite some mixed reports, in general, the longer term outlook for lithium remains robust as demand from battery makers continues to climb.

The metal is a vital component in electric vehicles (EVs), which are surely set to be the vehicle of choice in the future, while just as significant, but less discussed, perhaps is its application in the energy storage market.

WATCH: Millennial Lithium Corp sees impressive drill results from Lithium Project in Argentina

According to Roskill's 15th market outlook report this year, demand for lithium is expected to reach 1 million tonnes in the next nine years, with an annual growth rate of 16%.

Demand therefore, is expected to increase an eye-watering 650% by 2027.

Relatively new sector

It's against this backdrop then, that rapidly emerging company Millennial Lithium Corp (CVE:ML), in what is a relatively new sector, is successfully advancing its exciting Pastos Grandes project in Salta, Argentina, towards production.

The project lies in the heart of what's known as the "Lithium triangle" - home of other well-known producers of the commodity, like SQM (NYSE:SQM), Abermarle (NYSE:ALB), FMC and Orocobre (ASX:ORE).

"You'd need one new Millennial (Lithium Corp) to come to market every year for the next ten years to meet this demand," Graham Harris, the chairman of the company, tells Proactive.

The former senior vice-president of Canaccord Capital, with experience of working in Argentina, established the company about three years ago seeing that lithium mining could be a sector that could attract capital.

Pastos Grandes already enjoys a measured and indicated resource of 2.1 million tonnes of lithium carbonate equivalent (LCE) and 878,000 tonnes of inferred, but Harris reckons this will be significantly increased in January next year, when an updated resource estimate is due because of recent exploration at its REMSA licence.

There, on ground secured earlier this year, Millennial has encouragingly encountered good grades and thicknesses located to the south of its former resource.

The REMSA license has increased the firm's footprint and, significantly, given the firm overall control over its land position, rather than be sandwiched by other companies.

Price: C\$1.45

Market Cap: C\$119.75M

1 Year Share Price Graph



Share Information

Code: ML

Listing: TSX-V

52 week High Low
C\$2.18 C\$1.06

Sector: General Mining - Lithium

Website: millenniallithium.com

Company Synopsis:

Millennial is focused on the development of its flagship lithium brine project, Pastos Grandes, situated in the province of Salta in the Lithium Triangle of Argentina. Lithium producers in the Triangle include SQM, Abermarle, FMC and Orocobre. Millennial has outlined Measured and Indicated Mineral Resources of 2. 1M tonnes Lithium Carbonate Equivalent (LCE) and Inferred Mineral Resources of 0. 9M tonnes LCE.

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One of the largest lithium resources in world

"I think people are going to find that this (project) will become one of the biggest lithium carbonate resources in the world," says Harris.

Currently, the company is focused on realising a key bankable feasibility study (BFS) for the project next year, and for which it is fully funded with over \$50 million in the bank.

Good progress is being made in the construction of a pilot plant and the pilot evaporation ponds have been built, says Harris.

The idea is that a smaller scale version of the operation is built to see how it works as part of the BFS, which will be used to secure the \$400mln funding required to build the mine.

Design engineering is now complete for the pilot plant and contracts for the build are being sought. The plant should take four months to complete, says Harris.

After it is commissioned, a hopefully positive BFS is earmarked for in May or June, 2019.

Potential off-takers

Harris says the firm is already in talks with potential off-takers of the quality lithium aimed at being produced, and around a dozen non-disclosure agreements (NDAs) have already been signed.

He is looking at financing the overall cost of the project at \$400 million with around half equity and half debt and notes that the ease of being loaned the money will depend heavily on the "strength of the offtake partners".

Millennial is targeting a start-up operation with 25,000 tonnes of nameplate production - a modest amount compared to the potential resource available - but the idea is that will make it easier to raise the \$400 million, rather than for a bigger \$1 billion project, says Harris. The scope of the project could always be grown later.

When asked what sets Millennial apart from other companies in the sector, Harris interestingly notes that it's what DOESN'T set it apart, which is what investors should be alerted to.

It has good brines, which are amenable to conventional processing, and significantly it is not trying to reinvent the wheel with any unproven direct extraction methods, he says.

It will employ the "Silver Peak" method of evaporation using solar to evaporate the brines, and then processing to separate metals and minerals out, which should all lead to a quality product.

This is after all, he points out, a relatively new business (lithium mining), where the list of failures is long, and where there are only a handful of mines in the world actually producing

Increasingly, more and more is being learnt along the way about how to exploit the metal successfully.

Indeed, previous operators at Pastos Grandes didn't reach the better material, which was deeper than the 100 metres they were drilling, Harris explains.

"Usually the better brines are found at deeper depths. Now people seem to know that down in Argentina but they didn't three/ four years ago," he says.

World-class technical team

With the industry in its infancy, recruiting experience can also be difficult, he also notes, but Millennial has attracted a very capable, world-class technical team. Chief among them is Farhad Abasov, the president and CEO, who is experienced in founding and managing natural resource companies.

On the advisory board is Dr Vijay Mehta, who has over 45 years of experience in the ore and brine-based technology to recover lithium and other metals.

Evaporation expert Peter Ehren also has a track record of in excess of 20 years in the lithium brine sector, while Iain Scarr, VP Exploration, was with mining major Rio Tinto PLC (LON:RIO) for 29 years.

So with a good technical and financial team on the case, it's all shaping up to be a very exciting year or so for this emerging lithium player in what is a very attractive and innovative space.

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