

Lake Resources NL

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Lake Resources advances agenda for Argentinian assets in Lithium Triangle

Lake's portfolio includes lithium brines and pegmatites

Its ground is found near existing and emerging operations

Partnering is a way forward for the company, with talks in progress

The Olaroz/Cauchari Lithium Brine Project near Ganfeng/Lithium Americas project in Jujuy Province holds hope for Lake

Lake's world-class Kachi Lithium Brine Project south of the Hombre Muerto Salar on Escondido salar in Catamarca province also holds promise, with the company hoping to use data from pilot plant studies in late 2019 for a PFS

What does Lake Resources do?

Lake Resources NL (ASX:LKE) (FRA:LK1) is an Australian company focused on lithium exploration in northern Argentina, part of South America's highly prospective Lithium Triangle.

The company's strategy is to access scalable and optionality lithium projects in brines and pegmatites so it can unlock value as it delivers results and newsflow in the near to medium term and aims to attract major miners as joint venture partners.

Sydney-based explorer Lake has a large landholding and is led by geologist and resource financing specialist Stephen Promnitz.

Managing director Promnitz has worked in the resources industry and related banking finance sectors for more than 32 years.

The Sentient Advisory principal and former Indochine Mining Ltd chief executive officer was a vice-president of resources equities at Citi and joined the capital raising outfit after a stint as resources, energy and infrastructure director at Westpac Institutional Bank.

Promnitz was previously an acquisitions manager and Argentinian country manager for BHP Billiton Limited (ASX:BHP) pick-up WMC Resources (Western Mining Corporation; ASX:WMC) and was a project manager and geologist for Rio Tinto plc (ASX:RIO) (LON:RIO) (NYSE:RIO) (OTCMKTS:RTNTF) during the CRA (Conzinc Riotinto of Australia Limited) era.

The long-time resources industry professional is fluent in Spanish and has a history of exploring, funding and

Price: A\$0.064

Market Cap: A\$30.61M

1 Year Share Price Graph



Share Information

Code: LKE

Listing: ASX

52 week High Low
A\$0.12 A\$0.04

Sector: Mining

Website: www.lakeresources.com.au

Company Synopsis:

Lake Resources NL (ASX:LKE) is listed on the Australian Securities Exchange.

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developing mining projects.

What does Lake Resources own?

Lake Resources' acreage in Argentina is one of the largest lithium landholdings in the country.

The holding of more than 170,000 hectares makes the company a large player in the global lithium market which has traditionally included the world's Big Three producers Albermarle Corp (ALB-NYSE), private company Sociedad Quimica y Minera de Chile (SQM) and FMC Corp (NYSE:FMC).

Lake's lithium ground is found in South America's prospective Lithium Triangle which contains about 54% of the world's lithium. Chile and Bolivia are the other two countries on the triangle.

Phillip Street company Lake's tenure in Argentina includes a large package of lithium pegmatite properties, a lithium source gaining prominence in the Argentinian market.

Lake's key assets are the world-class Kachi Lithium Brine Project and the emerging Olaroz/Cauchari Lithium Brine Project in lithium brine horizons near an adjoining world-class major project in pre-production stage.

Which projects is Lake Resources prioritising in Jujuy Province?

In May 2019 Lake reported field drilling results had further increased its confidence in the 100%-owned Olaroz/Cauchari Lithium Brine Project and the company's ability to replicate the success of nearby multi-billion-dollar projects in the heart of the Lithium Triangle.

Olaroz/Cauchari project covers about 19,000 hectares and is found in Argentina's Jujuy Province.

A week ago, on July 3, 2019, the company revealed it had encountered more conductive brines at Cauchari as it deepened a borehole towards a target sand horizon.

Recent Cauchari lithium brine results have shown lithium values of up to 538 milligrams per litre and continuity of brine horizons into the Ganfeng/Lithium Americas (LAC) adjoining major projects, which are in pre-production.

Another key brine project for Lake in Argentina is the Paso Lithium Brine Project covering about 29,000 hectares in Jujuy Province.

Which projects is Lake Resources prioritising in Catamarca province?

Lake's Kachi Lithium Brine Project extends over more than 49,000 hectares in Argentina's Catamarca province.

International engineering and design firm Hatch was appointed to Kachi project in May 2019 after a pilot plant engineering phase was kicked off earlier that month.

Pilot plant commissioning at Kachi is tipped to start in late 2019 and forms part of a pre-feasibility study (PFS) for the project which is imagined as a low-cost rapid development project.

To be based on Lake's US partner Lilac Solutions' direct extraction production technology, Kachi plant is expected to test the potential for rapid, low-cost production from the project amid high expected recoveries and low environmental impacts achieved at a competitive advantage.

A December 2018 phase I engineering study for the project put production costs in the lowest quartile of global lithium production costs.

During Lilac technology testing for the phase I Kachi study, high lithium concentrations of 30,000 milligrams per litre were produced after three hours of processing of about 300 milligrams per litre brines for confirmed recoveries of about 85-90% from multiple samples.

Kachi project is about 100 kilometres south of an FMC Salar del Hombre Muerto lithium brine production operation.

FMC spun out its Fenix mine operations in Hombre Muerto to IPO Livent Corp (NYSE:LTHM) which has a market capitalisation of US\$994.3 million (\$1.4 billion).

Brine-based deposits with high concentrations of lithium that range from 200 to 2000 parts per million are found in Hombre Muertos salt basin.

Australian-listed Galaxy Resources inked a deal in August 2018 to sell mining rights to its Salar del Hombre Muerto project to South Korean steelmaker POSCO (KRX:005490) (NYSE:PKX) for \$280 million.

Galaxy is hoping to use the funds to develop its Sal de Vida Project in the salt basin.

Western Australia-based lithium player Galan Lithium Limited (ASX:GLN) is another explorer-developer in the region, advancing 100%-owned lithium assets on Hombre Muerto Salar.

Galan's first drill hole on its Candelas property adjacent to Sal de Vida returned 165 metres of high-grade, low-contaminant lithium brines and followed gravity and controlled source audio frequency magneto-tellurics (CSAMT) surveys that defined a potential 15-kilometre long brine reservoir.

Lake also has the Catamarca Lithium Pegmatite Project in Argentina which covers about 72,000 hectares at Ancasti in Catamarca Province.

Inflection points

Progress of Lake Resources' discussions with potential development partners

Positive field and pilot study results at Olaroz/Cauchari and Kachi lithium brine project

Advancements at Catamarca Lithium Pegmatite Project and Argentina's other lithium pegmatite projects

Financing and partnering successes and achievements for nearby operators in the Lithium Triangle

Mergers and acquisition activity and interest in the global lithium space

Lithium sentiment and global commodity price fluctuations

Maturation of worldwide electric vehicle markets

Lake Resources financing milestones

Lake progresses talks with development partners, reports managing director Steve Promnitz

"Lake is on track to finally reach the target horizon soon at Cauchari and declare a major discovery," Lake's managing director Steve Promnitz told the market last Wednesday.

"A series of brine horizon continue to be intersected prior to the target horizon.

"Cauchari is rapidly gaining momentum as a highly-valuable project for Lake, adding to our portfolio of 100%-owned projects in the heart of the Lithium Triangle, including Olaroz and the world-class Kachi project.

"With talks progressing with potential development partners, we are in an excellent position to deliver increased value for shareholders."

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