

Alliance Minerals Assets Ltd

08:39 22 Jul 2019

Alita Resources June quarter gets tick from Canaccord

Alita Resources Ltd (ASX:A40) has received some broker commentary from Canaccord Genuity regarding its recent June quarter production update.

The company produced 38,717 tonnes of lithium concentrate grading 6.20% lithium oxide during the June quarter from its Bald Hill Lithium and Tantalum Mine in Western Australia.

READ: Alliance Mineral Assets achieves strong quarterly lithium production at Bald Hill

In a flash update to clients dated 11 July 2019, Canaccord made the following comments regarding the June quarter production update.

Production was softer than expected, but this was partially offset by continued increases in product grades to well above industry benchmark levels (with impurities well below threshold levels). This should lead to premium pricing versus peers (JunQ CGe US\$704/t). Our prior estimates called for adjusted cash costs of US\$383/t based on lower strip ratios in the JunQ (although we note spodumene production and byproduct sales were lower than CGe, suggesting costs will likely exceed forecasts).

Lower-than-expected sales are partly reflective of current spodumene market conditions, but we expect a near term update on the progress of A40's planned downstream JV with Jiangte (see "JV deal provides downstream exposure without the capex"), which once underway, will offset a significant portion of A40's exposure to the concentrates market. We highlight that China EXW lithium carbonate prices have been flat YTD at ~US\$10,000/t - as such, bypassing the concentrates should be of meaningful benefit to A40's margins and cashflow.

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Market Cap: \$0.00

1 Year Share Price Graph



Share Information

Code: A40

Listing: ASX

Sector: Rare earths & specialist minerals

Website: www.allianceminerals.co.au

Company Synopsis:

*Alita Resources Ltd (ASX:A40) is listed on the Australian Securities Exchange. *

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