

Lithium Australia NL

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Lithium Australia has cash reserves of \$3.7 million at June 30 as it focuses on near-term cashflow projects

Lithium Australia NL (ASX:LIT) had cash reserves of \$3.7 million at the end of the June quarter, an increase from \$3.3 million on the previous quarter, a position that was strengthened by a reduction in cash spent.

The company responded swiftly to issues surrounding the COVID-19 pandemic, executing a groupwide strategy driven by four key corporate objectives - employee and stakeholder safety, preservation of capital, transition to a distributed workforce, and resource reallocation to better service near-term cashflow projects.

Consequently, Lithium Australia and its subsidiaries reduced the amount of net cash spent on operating and investing activities to \$469,000, in comparison to \$2.701 million spent during the March quarter.

Recycling

The company's Melbourne-based recycling division, subsidiary Envirostream Australia Pty Ltd achieved design processing throughput at a time of strengthened commodity prices and is commissioning copper and aluminium recovery circuits as copper and aluminium prices improve.

Processing trials for lithium-ion batteries are also ongoing, with a number of electric vehicle and energy storage system producers involved.

In addition, Envirostream is growing its battery collection initiatives to strengthen revenue and is investigating the use of products from spent alkaline batteries as a micronutrient additive for fertilisers.

Field trials have commenced in Western Australia and Envirostream is in discussions with leading fertiliser manufacturers regarding supply of its micronutrient blend.

Finally, Envirostream has received numerous enquiries with respect to establishing more facilities in international jurisdictions.

Batteries

During the quarter, Lithium Australia's batteries subsidiaries VSPC Ltd and Soluna Australia Pty Ltd continued to push ahead.

VSPC completed stage 2 of its Australian Manufacturing Growth Centre program, evaluating low-cost feed options for the production of lithium ferro phosphate in a period in which demand for LFP batteries continued to accelerate, given that global EV auto-makers prefer that battery chemistry for their expansion into China.

Soluna, meanwhile, received regulatory approval for its battery ESSs, with first sales and installations occurring in July

Price: 0.052

Market Cap: \$41.2 m

1 Year Share Price Graph



Share Information

Code: LIT

Listing: ASX

52 week High Low
0.089 0.032

Sector: Battery Metals

Website: www.lithium-au.com

Company Synopsis:

Lithium Australia NL (ASX:LIT) aspires to close the loop on the energy-metal cycle. Its disruptive technologies are designed to furnish the lithium battery industry.

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2020.

This division is experiencing strong demand for its systems from both residential and industrial sources and expects to be cash-flow positive by the end of the year.

Chemicals

The company's chemicals division welcomed validation of the singularity of its LieNA® lithium processing technology, which significantly improves the metallurgical recovery of lithium from fine and low-grade spodumene.

This was achieved through the grant of a patent from IP Australia, the process having already received federal government funding (through a Co-operative Research Centres Projects grant) for the construction and operation of a pilot plant as the next step towards commercialisation of that process.

Raw materials

With respect to raw materials, Lithium Australia, Australia Vanadium Ltd (ASX:AVL) and Mercator Metals Pty Ltd have established a strategic alliance to evaluate the Coates Mafic Intrusive Complex in WA, some 29 kilometres southwest of the Julimar nickel-copper-platinum discovery of Chalice Gold Mines Ltd.

The assets controlled by the strategic alliance have the potential to attract the interest of one or more senior partners.

Meanwhile, cost-cutting and rationalisation activities continue for other assets in the company's raw-materials portfolio.

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