

Maricunga powers up

Lithium Power International Ltd is fast-tracking development of its Maricunga lithium brine project in northern Chile after completing its third capital raising inside the past 10 months.

The company raised \$12 million via a share placement to domestic and international institutional investors early last month, paving the way for Maricunga's development timetable to be brought forward by 3-6 months.

Some of those key development items include deep drilling and a PFS, finalising the project's engineering requirements, completing the environment impact report and confirmation of production methodology.

Last month's share placement was the third substantial raising LPI has completed in less than a year following an \$8 million IPO last June and \$13.5 million via a private placement and SPP in October.

LPI chief executive Martin Holland said the size of the three raisings showed investors believed in the company's strategy for Maricunga.

"There's been roughly around \$33.5 million raised by our investors for this project," Holland told **Paydirt**.

"I think, firstly, it's a testament to the project itself because it's the highest-grade pre-production lithium asset globally. It's going to be a project that fits on the bottom of the lithium cost curve and it's also in the same region as two companies – Albemarle and SQM – valued at \$US10 billion each.

"We are the only listed company on the ASX with exposure to a lithium brine project in Chile, so it's quite unique from that point of view. And, in addition to that, we've managed to secure a whole range of technical experts who have built lithium brine projects before."

LPI has hardly put a foot wrong since listing on the ASX, with its stock comfortably trading around 35c/share at the time of print, having peaked at 50c/share during its first few weeks on the bourse.

Oddly enough, Maricunga was not part of LPI's prospectus, which comprised a suite of lithium projects in Western Australia and Argentina.

LPI entered into an agreement with Minera Salar Blanco to co-develop Maricunga less than a month after listing and the project, 170km north-east of the mining town of Copiapo, is now the company's main focus.

Maricunga is being developed as a three-way JV between LPI (50%), MSB



Evaporation testing at Maricunga returned several positive results

(32.3%) and Li3 Energy (17.7%).

"I've actually studied over 40 different lithium salars around the world and this one at Maricunga was definitely a stand-out above all others from a technical point of view," Holland said.

"This has now had six years of work put into it and now in excess of \$US42 million has gone into the project. It's also been consolidated, whereas a lot of other salars are not. So getting to this position with a project that has scale in Chile is very, very difficult and they almost don't exist outside this one."

LPI plans to announce a maiden JORC-compliant resource for Maricunga this month on the back of impressive results from recent drilling, including peak lithium grades above 1,600 mg/L, which is significantly higher than any other brine project in South America except the producing Atacama operation.

PFS work will ramp-up from this month and is expected to be completed before the end of the year.

Evaporation test work also returned encouraging results, with brine concentration increased five times from 1,260 mg/L to more than 6,300 mg/L, with precipitation of halite and silvite in the ponds.

No change in brine concentration was recorded during a separate 30-day pump test, with pumping sustained around 24-25L per second.

Holland said the majority of exploration work at Maricunga was considered complete and the company was now focused on transitioning into development over

the next few months. To assist with that transition, LPI has appointed former Atlas Iron Ltd chairman David Hannon and ex-Newcrest Mining Ltd chief executive Russell Barwick to its board.

"Investors now have exposure to a fully funded company with undoubtedly the best technical team globally working on this project, to advance it through all the various phases of feasibility," Holland said.

"Investors will soon get exposure to a potential high-grade lithium resource upgrade that's going to come out in May. Previously there was 574,000t of lithium carbonate equivalent, but that resource was only drilled from 0-150m. We've now gone 33% deeper and we've acquired 78% more land, so we believe the resource update that comes out to market is going to be materially larger."

Holland was also looking to welcome more investors from North America on to his company's register following several successful road shows in that part of the world earlier this year.

"From the time we had over there, we found their knowledge of lithium brine projects is far superior than that of the normal Australian investor which is typically focused on the hard rock projects," Holland said.

"I think this project ticks a lot of boxes and that's why we're getting the appetite from these investors."

– Michael Washbourne