

Ultra Lithium CEO on high grade lithium advantage

Weiguo Lang, CEO, President and Director of Ultra Lithium Inc. (TSXV: ULI) ("Ultra Lithium") in an interview with InvestorIntel Senior Editor Peter Clausi discuss Ultra Lithium's lithium projects in Argentina and Northern Ontario, Canada. Weiguo states Ultra Lithium's Canadian project is a high-grade hard rock pegmatite deposit, with a grade of "1% to 1.5% lithium oxide." In Argentina, Ultra Lithium has 4 properties, with 12 claims, for a total area of "25,000 hectares". Weiguo shares that one of these properties has historical drilling results showing "220 ppm of lithium"...to access the complete interview, [click here](#)

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Analyst reports Sayona has the potential to be one of the fastest lithium movers

Independent Investment Research, a brokerage firm based in Australia and the US has published an in-depth report on the activities of Sayona Mining Limited (ASX: SYA) ("Sayona") and concluded that the company has the potential to rapidly advance at least one of their resources and become a low-cost producer. The report concurs with the Preliminary Feasibility Study (PFS) that growth in the lithium market, particularly in the demand for high-purity battery-grade materials, is

sufficient to make the Authier resource viable and low-risk. The PFS returned a pre-tax NPV of C\$140 million and an IRR of 39% for an estimated initial capital outlay of only C\$66 million.

Sayona has 100% ownership of the Authier lithium pegmatite project in Quebec, as well as two sites in Australia known as Pilbara; the company has an 80% stake in one of these resources, as well as 100% in the other. The report further highlights that the project could benefit from short term development since permitting should progress smoothly for a small project, located in such a mine-friendly jurisdiction as Canada. Quebec's existing infrastructure, skilled workforce and mining legislation are all behind the fact that the province ranked sixth globally in the 2016 Fraser Institute Survey of Mining Companies.

Similarly, the company's Pilbara project is also based in a top mining-friendly jurisdiction; Australia ranked third globally in the same 2016 Fraser Institute survey. The Australian projects are divided into two prospective yet relatively under-explored resources. The recent discovery which extended the company's Mallina project with sample grades as high as 3.47% Li₂O demonstrates that these areas are indeed compelling exploration prospects.

It is Authier, however, which is the real strength of Sayona. The PFS, which was released to the market on February 16, 2017, highlighted a robust project treating an average of 700,000tpa of pegmatite ore to produce 99,000tpa of a 5.75% Li₂O concentrate over a mine and processing life of thirteen and fifteen years respectively. The rate of 700,000tpa is to allow for a processing rate of less than 2,000tpd, which under Quebec legislation avoids a costly and lengthy Environmental Impact Assessment (EIA), a massive bonus not only in terms of time frames, but also in reducing potential opposition.

In June, Sayona announced that it had expanded the Authier

resource by 27%, which highlights the potential for a significant extension of mine life and/or increase in throughput from the 13 years mining estimated in the current PFS. Work is currently continuing at the site, with the aim of releasing a Definitive Feasibility Study (DFS) at the beginning of 2018.

Overall, Authier is an advanced, near development project, with much of the expected pre-development costs already expended. The initial estimated capex of C\$66 million should be fairly easy to come by. Furthermore, the capital intensity of C\$662/annual tonne of concentrate is reasonable when compared with cost estimates of Sayona's peers. Additionally, Sayona is completely debt-free and has experienced people with some serious time spent in the resources game, as well as being major shareholders themselves. Keep an eye on this one, as it could be one of the fastest movers we've seen in quite some time.

Another Galaxy milestone in lithium production

Galaxy Resources Limited (ASX: GXY) ("Galaxy") has long been a favourite of ours; their assets are robust, their partners strong and their team evidently driven. Whether they are motivated entirely by a love of grinding myriad rock-types into valuable commodities is unclear, but Galaxy continue to prove that they are fast movers in an already quick-paced game with landmark progress at multiple sites.

Not only did they reach full production earlier this year, but the completed shipments have so far both departed northward,

the most recent of which was 14,000wmt of spodumene concentrate bound for Mitsubishi Corporation in China, for which payment is now imminent. This has left the guys at Galaxy a little extra free-time, and more cash to focus on finishing up exploration work at the James Bay pegmatite project in Quebec, Canada. Additionally, the product coming off the belt at Mt Cattlin has exceeded the 5.5% Lithium Oxide concentration originally stipulated by the company.

As if this weren't enough, Galaxy are the proud owners of a total of three world class lithium deposits, and one of the greatest things about having multiple assets is the ability to bring the most valuable to production first and use the resulting cash-flow to make progress on other resources without having to beg for additional capital.

Having shelved progress on the Definitive Feasibility Study (DFS) at James Bay back in 2012 to focus on Mt Cattlin, Galaxy are keen to return to Canada to demonstrate that the James Bay resources are up-to-scratch. Interestingly, there are still many spodumene-bearing pegmatites at the site that have not yet been fully explored, which could reveal valuable additions to Galaxy's growing collection of James Bay DFS data.

Currently, the asset comes in at 22.2Mt inferred and indicated, with a grade of 1.28% Lithium Oxide, and metallurgical work conducted in 2012 revealed that a lithium concentrate could be produced with grades of up to 6.53%, which is not to be sniffed at. The DFS will confirm or deny the ultimate value of the project, but the company wouldn't be reactivating the area if things weren't looking good.

In today's hyper-competitive junior mining world, any company that wishes to reach production must do so with cost refined downward about as far as it can go. This leads to a multitude of geological, metallurgical and logistical considerations that can truly make or break a project on efficiency alone. The James Bay deposit occurs at surface, and modelling has

indicated that the site is good for a simple open pit extraction, which keeps costs much lower and logistics far less nightmarish, and yet there still remains excellent potential to use the drilling programs, studies and pilot-plant testing to add significantly to resource estimates. Getting involved with Galaxy now might seem a little late, but they may still have a few underground surprises in-store for us yet.

Mt Cattlin is not only generating revenue these days, but moving ever-closer to its nameplate capacity of processing around a million tonnes of ore per annum. With the Australian mine currently exceeding its own quality specifications, I'm left wondering what treasures will be revealed at James Bay. In addition to the two mentioned projects, let's not forget Galaxy's Sal de Vida claim in the Argentina section of the renowned "lithium triangle" – host to more than half of the world's lithium reserves.

A few years ago, you could have looked at Galaxy and passed them over quite readily, but like an archaeologist carefully brushing away the sand long-accumulated atop a valuable artifact, they have revealed some truly great finds from not much more than piles of dust.

Neometals sends maiden shipment to "lithium giant" Ganfeng

The moment a plot of land successfully exports its first refined material is cause for celebration. It signifies the end of the period in which life becomes an alternating series

of drill results, surveys and planning exercises. In a truly impressive time of eighteen months, Neometals Ltd. (ASX:NMT) ("Neometals") have progressed their Mount Marion lithium project from final investment decision to first shipment, sending a new supply stream of one of the world's most desirable metals northwards to China. Major lithium producer Jiangxi Ganfeng Lithium Co. have signed a life-of-mine offtake agreement, securing the site for a decade or more.

The Mt Marion lithium project is located approximately 40km south west of Kalgoorlie, Western Australia and is jointly owned by Neometals Ltd (13.8%), Mineral Resources Ltd (43.1%) and one of China's largest lithium producers Jiangxi Ganfeng Lithium Co., Ltd (43.1%). The group advised today that the first shipment of 15,000 tonnes of lithium concentrates had been loaded onto the MV Pacific Venus at the Port of Kwinana, and last night departed on its journey to the Zhenjiang Port, China where the product will be delivered to Ganfeng. This first shipment follows the successful commissioning and continued ramp up of production from Mt Marion, which is forecast to produce 400,000 tonnes each year at full capacity.

Neometals and Mineral Resources initially signed a farm-in agreement in October 2009 which saw Neometals retain 100% ownership of the project while Mineral Resources would take full responsibility for construction and processing in return for a 40% share of net profit. In February 2011 this agreement was amended so that Mineral Resources could have direct ownership of a portion of the project, rather than taking 40% of the profit from sales. Ganfeng joined the party in September 2015 when an agreement was executed between Neometals, Mineral Resources and Jiangxi Ganfeng Lithium which resulted in Ganfeng taking a share in the Mt Marion mine, and agreeing to buy everything the mine ever produced.

On the British Geological Survey's "Risk List", last released in 2015, Lithium ranked 15th. The biggest producer is currently Australia, with Chile having the greatest reserves.

The agreements in place with Ganfeng are not uncommon; the Chinese know that they lack the domestic lithium production necessary to meet their own demand and have been busy securing supplies from around the world. The spodumene mineral from the mine has been processed to produce lithium carbonate that will mainly be used in the production of batteries for hybrid cars. A pre-feasibility study estimated the demand for lithium carbonate in Asian markets to be 17,000tpa, that could be produced from 120,000t of chemical-grade spodumene concentrate, and Mt Marion was developed to tap this very demand.

Lithium carbonate is also used in several other industries such as lubricants, glass, pharmaceuticals, air-conditioning and ceramics. By-products recovered from the mining operations will include potassium feldspars, tantalum and mica. The mine is expected to initially produce 200,000 tpa of lithium oxide (Li_2O) at 6% chemical grade spodumene concentrate, 60,000tpa of mica and 30 tpa of tantalite concentrate. The processing plant will include a modular system capable of increasing production in future.

Ganfeng are well-respected giants in the lithium game, and their bets are worthy of attention. Having similar interests in a lithium brine in Argentina, a pegmatite in Ireland and a spodumene down-under, the Chinese continue to drive the lithium supply chain.