

# THE NORTHERN MINER

THE GLOBAL  
MINING  
NEWSPAPER

www.northernminer.com

JANUARY 4-10, 2010 VOL. 95, NO. 46 • SINCE 1915

## Lithium Americas finds super-wide aquifer

With positive exploration results in hand, Lithium Americas is raising \$10.5 million in a best-efforts financing led by GMP Securities, PowerOne Capital Markets and Dundee Securities to further define its Cauchari and Olaroz salt lake lithium-potash projects in north-western Argentina.

Set up by **Latin American Minerals** (LAT-V) (a 20% stakeholder) and Argentine borax producer Los Boros, the company has been busy defining some ultra-wide lithium brine aquifers over the last few months that are off the charts compared to typical aquifers.

Ray Mitchell, CFO for Lithium Americas, says the latest financing of 7 million units at \$1.50 apiece (including one share and half a warrant) is much higher than the company's initial \$1.575-million financing last June at 15¢ per unit due to the drill results that have come out recently.

"A lot more is known about the property and the potential of the property," Mitchell said in an interview.

Each warrant will be exercisable at \$2 per share for a period of two years after the company lists on the TSX or TSX Venture Exchange or three years after the closing date of the private placement, whichever is earlier.

Mitchell says the TSX listing is contin-

gent on a National Instrument 43-101 technical report.

"We hope to have (the report) by the end of the first quarter," he says.

Lithium Americas also raised \$7.5 million in a private placement in September.

The company has released results from the first seven reverse-circulation drill holes at the Cauchari/Olaroz project.

So far, the work shows lithium brines at depth with a chemistry that compares favourably to reported values of currently producing brines. One lithium aquifer extends vertically over 100 metres, and is open at depth.

It's quite unusual to come across an aquifer of that size, says Lithium Americas president Waldo Perez.

"The width of the aquifers is wider than in any other known salar. Most salars have aquifers with widths ranging from a few metres to tens of metres," Perez said in a statement. "Having aquifers in the order of magnitude of a hundred metres is unheard of and drill holes are open at depth."

The 100-metre-plus aquifer was found in the Cauchari salt lake. Hole RC-04 was drilled to 182 metres depth. The upper 40 metres of the hole contained four aquifers between 1 metre and 4 metres wide with brine samples ranging between 520 parts per million (ppm) and

704 ppm. Between 32 metres and 59 metres depth, there is an aquiclude (or seal) that is dry and overlies a continuous aquifer that is 110 metres wide. A weighted average of 110 samples returned 632 ppm lithium and 0.63% potassium.

Hole 6, drilled 5 km east northeast of hole 4, was drilled to a depth of 164 metres. The upper 54 metres was mostly dry (aquiclude) with only one 3-metre-wide aquifer, where three brines samples averaged a grade of 834 ppm lithium. Below that though, between 54 metres and 164 metres depth was a large porous salt unit that contains a 110-metre-wide aquifer. A weighted average of 110 samples here graded 871 ppm lithium and 0.7% potassium.

Lithium Americas will continue to drill the property, located in the salt brine district of Puna, Argentina.

More than 90% of the world's lithium brine reserves are spread across Argentina, Bolivia and Chile.

Lithium in salt brine must be pumped to the surface for processing. It's usually cheaper to mine than hard rock lithium deposits.

Latin American Minerals and Los Boros will have the right to reacquire the property if Lithium Americas doesn't become a publicly listed company by mid-2011.