



Resources Stocks Down Under

🗨️ *When we ask for advice, we're usually looking for an accomplice.* 🗨️

- Saul Bellow (1915-2005), 1976 winner of the Nobel Prize for Literature

LITHIUM PLUS MINERALS

Lithium in the Top End

LITHIUM PLUS MINERALS

Lithium in the Top End

Stocks Down Under rating: ★★★★★

ASX: LPM
Market cap: A\$22.9M

52-week range: A\$0.26 / A\$1.08
Share price: A\$0.51

As explorers go, the Sydney-based Lithium Plus Minerals has one of the better pieces of real estate you'll find this year. The company's flagship Bynoe Lithium Project in the Northern Territory, just 45 kilometres south of Darwin as the crow flies, is right next door to Finniss. That's the new lithium mine from Core Lithium, which just shipped its first product and has a bright future ahead of it.

Share price chart



Source: Tradingview

Great timing

Lithium Plus Minerals had a good start to listed life in late April 2022. The company had raised \$10m at 25 cents per share, but ended its first day of listed life at 70 cents. And no wonder. You see, back in mid-2018 this company had the foresight to get hold of some ground right next to the Finniss Lithium Project of Core Lithium (ASX: CXO) in the Northern Territory. At the time it was unclear when lithium as a commodity would ever make a comeback and whether Finniss would amount to anything. Core Lithium at the time was valued at only about \$20m.

By 2022 lithium was back with a vengeance and Core Lithium was getting ready to bring Finniss into production. Investors in Lithium Plus Minerals were hoping that some of the lithium in Core's property might spill over into Lithium Plus' property because both projects sit in the Bynoe Pegmatite Field. And they were also excited by the fact that Suzhou CATH, a subsidiary of China's CATL, the world's largest maker of batteries for Electric Vehicles, had cornerstoned the IPO with a \$2.2m investment.

How'd you like a new mine this close to Darwin?

It's not hard to get to the area that has both Core Lithium and Lithium Plus investors excited. Just drive down the Stuart Highway from Darwin in the direction of Katherine and turn right onto the Cox Peninsula Road at the turn not far from Noonamah. You'll be at Finniss in less than hour on sealed roads all the way. Core Lithium

made its first significant lithium discovery here in 2016 and was doing feasibility work by the time Dr. Bin Guo showed up and bought some adjacent ground from Kingston Resources (ASX: KSN) in 2018.

By July 2021 Core had a Definitive Feasibility Study for a small eight-year operation, one that expanded to 12 years in July 2022. In November 2022 Finniss shipped its Direct Shipping Ore to kick off the mine, becoming Australia's first lithium producer outside of Western Australia. It wasn't hard to get this mine up and running once lithium prices were high, because the capex needs were modest and all the infrastructure Core needed was already in place.

Finniss's current mineral resource is 18.9 million tonnes at 1.32% Li₂O. On the current plan Core will produce about 160,000 tonnes a year of 6% Li₂O spodumene concentrate from Finniss between now and 2034. The product is clean and produced through a simple gravity-based flowsheet. Importantly, the cash costs are low. How'd you like to produce at around US\$423 a tonne, which is great when the typical sales price is more like US\$6,500-7,000 per tonne? Now you know why Core Lithium currently enjoys a lofty A\$2.4bn-or-so market cap.

Dr. Drill likes what he sees

Which brings us to Lithium Plus Minerals next door, with its 11 granted tenements covering 297 sq km to the north, south and west of Finniss. Lithium Plus went public on the promise of multiple walk-up targets, most notably at the Lei and Cai prospects, and a great discovery hole at Lei reported by Kingston Resources in July 2017 that came back with 12 metres at 1.42% Li₂O from 121 metres.

Lithium Plus is currently doing 10,000 metres of RC and 1,800 metres of diamond drilling on its project area and the results to date have been favourable. On 18 October Lithium Plus reported some good intersections at Lei, including a 28.8 metre mineralised zone in hole BYLDD001 (11 metres at 1.48% Li₂O from 196 metres and 17.8 metres at 1.40% Li₂O from 217 metres) and a 24 metres mineralised zone in BYLRC023 (11.0 metres at 1.03% Li₂O from 173 metres and 13.0 metres at 1.31 % Li₂O from 192 metres).

What this suggested is a large spodumene-bearing pegmatite system, which was open at depth, and by 8 November the diamond work was showing that the lithium mineralisation at Lei was indeed a long way down, with a good 31 metres of pegmatites showing up at 263.7 metres. We'll know soon how much Li₂O is in these pegmatites. Coming later are more results from Lei and Cai and, after that, first drilling on the Perseverance and Jewellers prospects.

Maiden resource coming

Lithium Plus believes, given the grades it has been getting, that it will be in a position to report its maiden Resource estimate at Bynoe early next year. One suspects this initial resource will be small, given that Finniss' resource is based on six small deposits, but will make up for that in terms of the grade. Once it's clear that there are spodumene deposits on Lithium Plus' ground, the market can start to get more excited about a second mine near Darwin. Bynoe is on state land so there's no Native Title work to be done and the company is already doing its early environmental work for a future mine.

Bynoe isn't the only iron in Lithium Plus's fire. There's also the Wingate Project, 150 kilometres south of Darwin, covering a more or less unexplored pegmatite district, and three projects in the Arunta Block further south, called Barrow Creek, Spotted Wonder and Moonlight. However, these are all early-stage opportunities while the big opportunity right now is Bynoe. With further exploration excitement likely at this project and with Core stock rallying strongly off the successful start at Finniss, Lithium Plus Minerals is four stars for investors with the appropriate risk appetite.

Pitt Street Research Pty Ltd

3 Spring Street, Sydney, NSW 2000, Australia

Stocks Down Under gives you an information advantage to better invest and trade in ASX-listed stocks!

Stocks Down Under (Pitt Street Research AFSL 1265112) provides actionable investment ideas on ASX-listed stocks. The Content is financial advice but is not (and cannot be construed or relied upon as) personal financial advice. No investment objectives, financial circumstances or needs of any individual have been taken into consideration in the preparation of the Content. Please make sure that investing in such products is suitable for your circumstances, and ensure you obtain, read and understand any applicable offer document.

Financial products are complex, entail risk of loss, may rise and fall, and are impacted by a range of unpredictable market and economic factors.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission from Pitt Street Research Ltd Pty. All intellectual property relating to the Content vests with Pitt Street Research/ Stocks Down Under unless otherwise noted.

Stocks Down Under/Pitt Street Research directors and staff may own shares in the companies mentioned in our articles, videos, reports and analyses.

You are receiving this email because you subscribed to our newsletter.

