

# Advantage Lithium shares rise following Cauchari drilling



Advantage Lithium's Cauchari lithium property in Argentina. Credit: Advantage Lithium

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Since mid-October, **Advantage Lithium's** (TSXV: AAL) stock price has more than doubled following strong drilling results at its 75% owned Cauchari lithium property in northern Argentina's Jujuy province.

The exploration targets at Cauchari are northwest and southeast of **Lithium Americas'** (TSX: LSE) 11.8 million indicated and measured tonnes of lithium carbonate equivalent at its Cauchari-Olaroz property.

So far, exploration drilling in those areas has yielded positive results.

"Our drill program was designed to define our lithium grades and flow potential at the limits of Lithium Americas' properties," Advantage Lithium president and CEO David Sidoo says in an interview. "We've now progressed with our drilling program to cover the lateral extent of the north and south continuity across all our leases."

Advantage Lithium stock sharply rose in late October following strong results from holes CAU10 and CAU09. Shares shot up again in early November when the company announced strong results from holes CAU07 and CAU16 — the first two holes in the previously undrilled northwest sector of the Cauchari property.

CAU07 averaged 635 mg per litre lithium and 4,772 mg per litre potassium, with a magnesium to lithium ratio of 2:1 at a depth of 236 metres. Advantage Lithium plans to deepen the hole in order to reach bedrock where it will sample brine and assess flow by conducting pump tests. CAU07 is located in the eastern part of the northwest sector, close to Lithium Americas' brine resource. It contains 187,149 proven tonnes lithium and 1,311,982 probable tonnes lithium, as of a March 2017 reserve summary.

CAU16 averaged 619 mg per litre lithium and 4,878 mg per litre potassium with a magnesium to lithium ratio of 2.3:1 from depths between 169 and 199 metres. Once sampling is complete, Advantage Lithium plans to turn the hole into a monitoring well.

Drilling at CAU07 and CAU16 intersected similar sandy material at the surface and gravels deeper in the hole — much like those found at Lithium Americas' project. Advantage Lithium says these results confirm the presence of attractive concentrations of lithium brine in the northwest sector of the Cauchari property, opening up the resource potential of the area.

Advantage Lithium drilled a third hole, CAU08, 400 metres deep and farther away, in the south east portion of the property, and is still awaiting results. It will look for deep sand units similar to the ones found on Lithium America's property and at CAU07 and CAU16. Advantage Lithium is also awaiting results from CAU08 and 11.

Advantage Lithium obtained its interest in Cauchari in April 2017 in a deal with **Orocobre** (TSX: ORL) when the two companies formed a 50-50 joint venture at Cauchari. In return, Orocobre received a 35% stake in Advantage Lithium, making it the largest shareholder.

"Everybody was chasing Orocobre," Sidoo says. "Because they had the best exploration assets and the best development asset and I know that we beat out six or seven companies for the opportunity to form a joint venture with them."



Advantage Lithium's president and CEO David Sidoo. Credit: Advantage Lithium.

Advantage Lithium had to spend \$5 million on the property by the end of 2017 to increase its Cauchari ownership from 50% to 75%. It accomplished that goal this fall.

"I asked Richard Seville, the president and CEO of Orocobre, to come on the board of Advantage Lithium," Sidoo says, "to basically show credibility to the transaction — that it was a true partnership."

Sidoo says that Advantage Lithium even hired the exploration team that discovered the resource at Orocobre's Olaroz facility. Olaroz is also in Jujuy province, its south border contiguous to Cauchari's north border. It contains 6.4 million measured and indicated tonnes lithium carbonate equivalent and 19.3 million tonnes of potash.

Advantage Lithium intends to have a new resource estimate by the end of the first quarter of 2018, followed shortly by a preliminary economic assessment and a scoping study.

"And then we'll continue through Q3," Sidoo says, "at which stage we hope to have converted sufficient resource to the reserve category to support a robust project. Meaning our goal is to have a large enough resource that we can have our own stand-alone facility that we can build in Cauchari. By the first quarter of 2018 we're looking to complete the National Instrument 43-101 feasibility study."

Advantage Lithium also sold its Clayton Northeast project to **Pure Energy Minerals** (TSXV: PE) for 7 million shares on Nov. 7. It will add 10 sq. km to Pure Energy's 246 km Clayton Valley.

"We want our investors to know that we're 100% focused on Argentina," Sidoo says. "Basically all the money we spent drilling those holes we got back in stock, so I think it was a good trade-off for us."

Pure Energy has a share price of 44¢ and a market cap of \$52.6 million and Orocobre has a share price of \$6.08 and a market cap of \$1.25 billion.

Advantage Lithium's share price is currently \$1.21. It sat at 51¢ on Oct. 12 before beginning to rise. It peaked at a \$1.32 closing on Nov. 8, but has stayed strong since, dipping briefly below \$1 before rising again. The shares have a 52 week range of 36¢ to \$1.42 and the company's market cap is \$160 million.

Link: <http://www.northernminer.com/news/advantage-lithium-shares-rise-following-cauchari-drilling/1003791734/>

Thanks,

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