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## Miner surges as Gates backs its tech investment

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### Luke Housego

Shares in small-cap ASX-listed lithium developer Lake Resources have surged after a venture capital fund headed by Bill Gates threw its weight behind the company's technology partner.

Lake Resources has been working with California-based Lilac Solutions, which is developing a low-cost lithium production technology, since 2018 but investors grew excited last week when the company was backed by a VC fund featuring some of the biggest names in the tech and investment world.

Breakthrough Energy Ventures led a series A investment of \$US20 million (\$30.2 million) in Lilac.

As well as being chaired by Microsoft's founder, the fund's backers also include Alibaba founder Jack Ma; Amazon founder and the world's wealthiest person Jeff Bezos; and Bridgewater Associates founder and globally recognised investor Ray Dalio.

The market validation drove Lake's share price up by more than 35 per cent at the end of last week to 4.9¢, with its market capitalisation rising from \$20.8 million to \$28.30 million after the announcement.

The investment will support the development of a method to extract lithium from brine processed to produce the material.

Lithium, a key ingredient in batteries used in electric vehicles, is produced from either rock (spodumene) or a salt-heavy water (brine) most commonly found aquifers in parts of South America.

Lithium-containing brine is currently processed by pumping large volumes from underground aquifers to

the surface. The liquid is allowed to evaporate with the remaining material collected and processed to produce the high-grade lithium required.

By contrast, the process developed by Lilac pumps the brine through a network of processing modules. The modules extract the lithium from the liquid as it passes through

Lake managing director Steve Promnitz said this reduced time, land use and water loss, while delivering a high-quality product.

"It's difficult to get the market to recognise new technologies," the former geologist and investment banker said.

"This is validation, so that helps us."

Brine from Lake's Kachi lithium project in Argentina will be put through a recently commissioned pilot plant built at Lilac's site in California.

The facility has capacity to produce up to 10 tonnes of lithium a year, which will be used as samples that can be tested by potential buyers and battery makers.

Lake's ultimate goal is to see the technology deployed at its Kachi lithium project. As part of Lake's long-term strategy to become a differentiated lithium producer, Lake carried out due diligence on 15 technologies before cementing its partnership with Lilac.

Mr Promnitz said Lilac Solutions had proved the value of its technology but the strength of the company's team was a key factor.

Lilac was founded by materials engineer and battery expert David Snyder. The team has been built out with the addition of former corporate transaction lawyer Nick Goldberg and petroleum engineer Tom Wilson.