

Lake Resources raises \$20.6m at premium in oversubscribed placement

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January 25, 2021

By

[Robin Bromby](#)

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Global institutional investors have thrown their weight behind Argentine lithium developer Lake Resources (ASX: LKE), tipping in \$20.6 million at a 12% premium to the 10-day volume weighted average price.

Institutions in Australia, North America and Europe backed the raising.

The company says its Kachi lithium brine project in Catamarca province of Argentina is now fully financed through to the construction phase that begins in 2022.

This will allow the company to speed development of sustainable, high purity lithium, it added

Lake recently kicked off a definitive feasibility study (DFS) at Kachi, the results to be available in the first quarter of 2022.

Kachi's big advantage is that the brine is very low on impurities and the company has already delivered lithium carbonate samples at 99.97% purity.

The company has been working with Lilac Solutions at Oakland, California, with a pilot plant.

Lake will be using Lilac's sustainable direct lithium extraction technology.

Roth Capital Partners, based at Newport Beach, California, and which acted as sole placement agent, has been appointed as the company's financial adviser to "broaden its investor base across global markets".

The new investors will between them received 125 million new Lake Resources shares at \$0.165 per share.

Every two new shares will have one attached option exercisable at \$0.30 with a two-year expiry.

'Transformational moment' for Lake

The money will be used to operate the California pilot plant, commission a demonstration plant on-site at Kachi, complete the DFS and the environmental and social impact statement as well as financing exploration and evaluation studies.

Chairman Stu Crow who has previously stated that the lithium sector is now in the "perfect storm" with trillions of dollars being committed globally to renewable energy projects, says the placement raising is a "transformational moment" for Lake and its shareholders.

Meanwhile, managing director Steve Promnitz said securing these funds brings certainty to the Kachi project delivery plan through the DFS process.

"This transaction places the company in its strongest financial position ever."

Mt Promnitz said the company will now hold about \$25 million with a further \$6 million to added in July as existing options expire.

Ranked as one of world's top brine projects

Kachi is located in the "lithium triangle" — a vast basin of brine resources straddling the borders of Argentina, Chile and Bolivia.

Kachi was last year ranked as one of the world's top 10 brine resources.

In November 2018, Lake announced a maiden JORC resource at its Kachi Project of 4.4 million tonnes (Mt) of contained lithium carbonate equivalent, and an exploration target ranging between eight and 17 million tonnes.

Of that 4.4Mt, only 20% will be used for the first 25 years of production.

Kachi covers 70,000 hectares.

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