

# Lake Resources accelerates Argentine lithium exploration as global supply crunch predicted

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By

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Lake Resources says there are warning signs of a significant international lithium shortage as early as 2024.

Argentine lithium developer [Lake Resources \(ASX: LKE\)](#) is shipping 50,000 litres of brine for testing from a new planned resource, part of the company's acceleration plans as it watches a growing supply-demand lithium deficit.

The shipment will come not from its advanced Kachi flagship project in the South American nation, but from one of three other brine resources that have been given new priority.

Drilling is planned at Lake's Olaroz project and a pre-feasibility study will begin this year at its Cauchari brine resource.

The company says there are warning signs of a significant international lithium shortage as early as 2024.

While there has been a recent boost to its Kachi project in Argentina in terms of its valuation, the Sydney-based company is also stepping up work on its Cauchari, Olaroz and Paso brine projects.

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## Brines tested from three additional brine sources

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The 50,000-litre shipment from the Cauchari project will be tested by groups specialising in direct lithium extraction and conversion to lithium hydroxide.

At Cauchari, Lake has previously confirmed multiple zones of high-grade lithium brines between 102m and 608m below surface.

The company will also test additional brines from Olaroz and Paso.

Lake has set the objective of producing high purity, sustainable lithium from a number of its 100%-owned projects.

## **Demand set to ‘overwhelm’ supply**

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Managing director Steve Promnitz says Lake is continuing to engage with a range of market participants.

“The scale of the market demand for a high purity, sustainably produced product is set to overwhelm current supply, as evidenced by the moves by automakers such as Volkswagen and others,” he adds.

Large companies will be testing brines from Cauchari and other projects using their own extraction processes, including converting concentrates into lithium hydroxides and other products.

“With a growing supply deficit projected from 2024, Lake sees the need for even greater lithium production and therefore will advance development plans on our other brine projects based on the same production method,” said Mr Promnitz.

## **Plans to be ‘globally significant’ producer**

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“Significantly, should we reach our target, Lake would become a globally significant producer with relevant scale and high-quality products, at exactly the right time for the accelerating EV and battery storage revolution.”

Lake holds leases over the 47,000 hectares that enclose the Cauchari, Olaroz and Paso brine projects.

A pre-feasibility study at Cauchari will begin later in 2021.

At Olaroz, north of Cauchari, Lake’s leases extend more than 30km north and east of the adjoining lithium project of the same name owned by [Orocobre \(ASX: ORE\)](#).

Lake will drill at Olaroz when approvals have been received.

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