



## **LITH hits 180m-long lithium zone at first hole**

*As a general rule, the most successful man in life is the man who has the best information*

Lithium Chile (TSX.V:LITH, OTC-QB:LTMCF) has made a great start on its 2018 drilling program at Ollague, one of four priority salars it has identified among its sizeable land package in Chile (the company's portfolio covers more than 155,000 hectares across fifteen properties, only SQM and the Chilean government own more). Lithium Chile staked its huge portfolio using similar geological parameters as SQM, and also owns 100% of their properties with no NSR.

On its first hole, LITH encountered a lithium-bearing aquifer with salt-water brines at 110 meters. From there, the zone extended 180m, continuously, to a depth of 290m. According to Lithium Chile, the zone returned grades of between 10 and 480 milligrams per liter (mg/l) lithium, with the grades gradually increasing as the hole deepened. Brines containing 480 mg/l were found at 290m. (see chart below). The average grade over the last 60m was 470 mg/l.

<u>Depth (m)</u>	<u>K mg/l</u>	<u>Li mg/l</u>	<u>Mg mg/l</u>
50	<500	10	233
70	<500	20	276
90	<500	10	193
110	<500	10	206
130	1200	150	1140
150	2000	270	2070
170	2400	260	2530
190	3500	370	3505
210	3400	360	3400
230	3600	380	3600
250	4300	460	4300
270	4500	470	4370
290	4600	480	4500

[Announced on June 28](#), the four-hole drill program at Ollague follows a recently completed sampling program where lithium brines were found to contain between 160 and 1,220 milligrams per liter. The holes are being drilled to a minimum of 250m depth, and focus on conductive targets identified in a transient electromagnetic survey (TEM). Lithium Chile believes these low-resistivity zones, which are between 20 and 200m thick, and under 120 meters below surface, reflect saline aquifers.

LITH notes that because Hole DDH-OLL-01-18 was an exploratory reconnaissance hole (ie. unsealed), it had to be drilled using fresh water, which likely diluted the grades closer to surface. Still, the fact that it encountered grades rivaling those found in Argentina, is significant for the Calgary-based firm.

“Hitting such a thick and continuous zone of lithium-bearing brine on our very first hole at Ollague is a huge testament to the ability of our exploration team in Chile,” Lithium Chile’s President and CEO Steve Cochrane said in a [press release](#).

Compare LITH’s 480 mg/l find to the following exploration projects in Argentina:

- Millennial Lithium’s Pastos Grandes: 445 mg/l (measured and indicated)

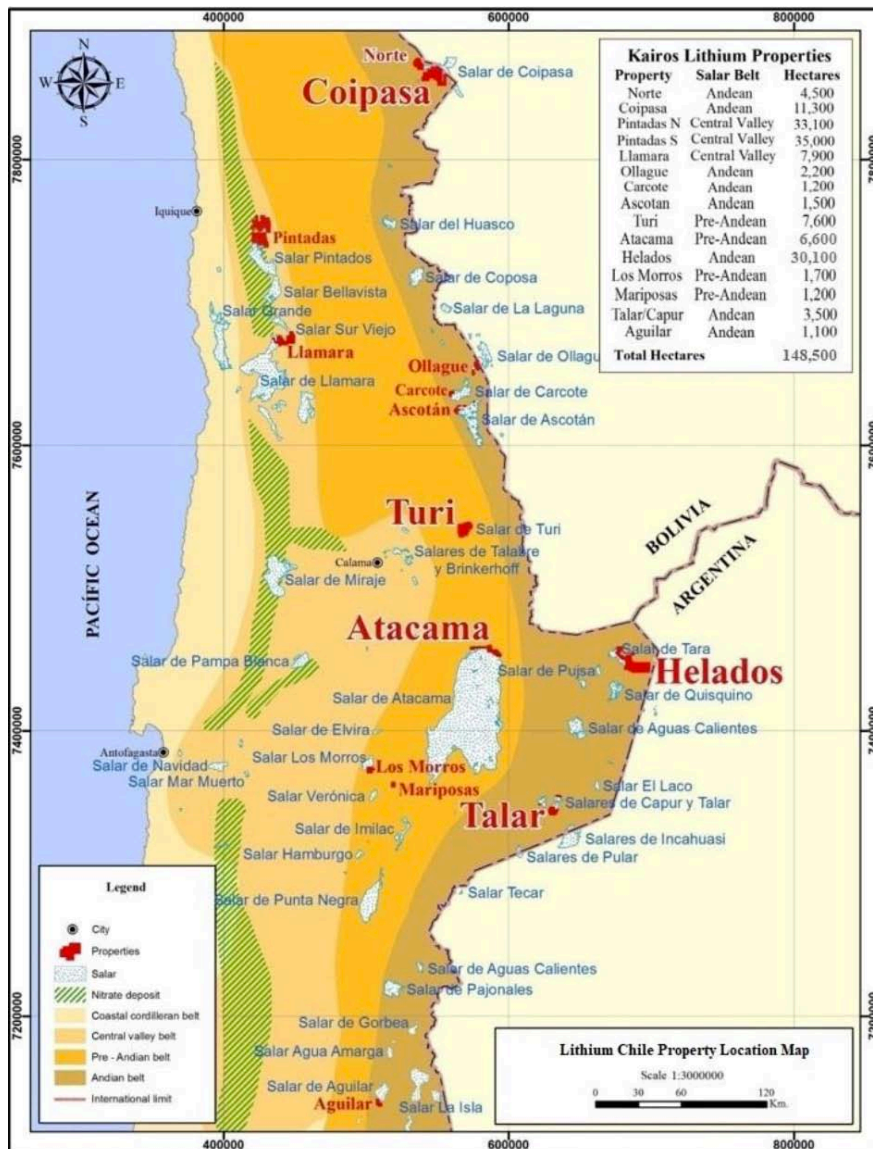
- Neo Lithium's 3Q: 614 mg/l (measured and indicated)
- Lithium X's Sal de Los Angeles: 501 mg/l (indicated)
- Galaxy Lithium's Sal de Vida: 782 mg/l (measured and indicated)

Read our [Lithium Chile, a perfect storm](#) to learn about how Lithium Chile acquired its 152,900-hectare land package - the country's largest privately-owned claims amassment - and why Chile is such a good jurisdiction to be in right now.

Hole 1 is on the shallower, southwestern edge of the Ollague salar, and bottomed out at 300m. A second hole was also punched in on the southwestern edge. The third hole targeting the center of the salar has been completed, with assays pending, and a fourth hole is currently being sunk, also near the center. The company believes the lithium-rich zone continues deeper. It is currently looking at whether hole 4 can be drilled deeper, and possibly putting in another hole, to test this thesis.

The treasury was recently topped up with a \$1 million investment from Prosper One. The Hong Kong-based holding company has the opportunity to earn 55% of LITH's Pintadas Norte project within three years by spending \$3 million in exploration. [Read more about the joint venture](#)

While the lithium grades encountered in the first hole at Ollague are very respectable, Lithium Chile has found some of the highest-grade samples of lithium in Chile within its salars; its highest was 1,410 mg/l at Coipasa. For perspective, CEO Steve Cochrane [noted in a video](#) that production grade at the Clayton Valley in Nevada is only 190 to 200 mg/l. The grades at Lithium Chile's Atacama project are on par with production grades at the SQM and Albemarle plants in the Salar de Atacama, part of the "lithium triangle" where over half of the world's lithium reserves are located.



It's still early days for Lithium Chile, with assays still to come in for the rest of the holes at Ollague. The next set of drill holes will be punched in at Coipasa, where LITH found its best lithium sample of 1,410 mg/l. It's Lithium Chile's second largest property, at 11,000 hectares. Coipasa straddles the Chile-Bolivia border, meaning that a third of the salar is in Chile, and two-thirds is in Bolivia. With Bolivia producing no lithium right now, there is nothing stopping Lithium Chile from draining the salar on both the Chilean and Bolivian sides, according to the company.

Here at aheadoftheherd.com we believe it's too early to comment on the Chilean

government's proposed effort to crackdown on water over-usage - it's not government policy yet and only applies to the Atacama. LITH does have property there but the company's current focus is Ollague and then Coipasa. Neither of those salars have, right now, any water production and since both salars extend into Bolivia the actual basin could be significantly larger than what is seen on the Chilean side.

Your author thinks that if water restrictions materialize it will be in regards to developing/using technology in ways to filter or precipitate lithium out of the brines without the need for large quantities of water needed. Remember the Chilean government is on record as stating they want lithium to be the country's second largest export, behind only copper in global production.

I'm looking forward to the next assay results from Ollague and the start of drilling at Coipasa. These are exciting times for Lithium Chile, which is why I've got LITH on my radar screen.

Richard (Rick) Mills

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