

Public Companies

Reedy Lagoon expands Nevada lithium brine footprint



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Map showing Reedy Lagoon's 100 per cent owned Alkali Lake North and Clayton Valley lithium brine projects in Nevada. Credit: File

ASX-listed Reedy Lagoon Corporation saw its share price nearly double in intraday trading after the company announced it had its foot on an additional 1,554 hectares of tenure adjoining its 100 per cent owned Alkali Lake North lithium brine project in Nevada. The expanded project area now takes in more than 2,500 hectares and covers the entire lithium brine target previously identified via geophysical surveying.

Reedy says 2D magnetotelluric surveying conducted in 2018 defined two conductive layers showing potential for lithium brine at Alkali Lake North.

Management says reinterpretation of the geophysical data, in conjunction with its evaluation of other lithium brine projects in the region, has switched its focus towards the shallower target conductor at the project that now stretches for more than 4kms on Reedy Lagoon's tenure.

Prior to the new acquisition, Reedy's ground covered just 3km outlined at Alkali Lake North.

The company now intends to launch further geophysical surveys to better define the lithium brine targets at Alkali Lake North and at its 100 per cent owned Clayton Valley project some 25km to the south-west.

Management says both Alkali Lake North and Clayton Valley sit in closed geological basins sharing similarities with the Clayton Valley basin - host to North America's only lithium brine producing operation at Silver Peak.

Both projects lie within 50km of Silver Peak which is owned and operated by New York-listed Albemarle Corporation. Reedy estimates that Albermarle produces some 6,000 tonnes of lithium carbonate annually from its venture.

According to the company, recent studies conducted by international resources research house, Roskill, concluded North American lithium-ion battery-cell manufacturing is forecast to account for 10 per cent of global capacity by 2030, with potential for further growth through more efficient collaboration between industry, investment and regulatory bodies.

The location of Alkali Lake North and Clayton Valley appears to bode well for the company with North American battery manufacturing markets located within arm's reach, including Tesla's lithium-ion battery producing Gigafactory in Reno that is only 360km away by road from Reedy Lagoon's tenure.

Further research by global financial services company, JP Morgan determined that lithium demand is forecast to soar by over 500 per cent by the end of the decade, driven by appetite from the electric vehicle sector where demand is projected to grow nearly ten-fold.

This message hasn't been lost on the market lately either with a number of lithium companies seeing their market caps being propelled into the hundreds of millions and even billions of dollars in recent months.

Global electric vehicle sales are also set to rise from about three per cent in 2020 to about 27 per cent by the end of the decade, according to JP Morgan's research.

Fresh from a recent \$1.1 million capital raise and having swelled its lithium tenure at Alkali Lake North, Reedy Lagoon may just start creeping onto a few radars as it looks to carve out a slice of its own lithium dream in Nevada.

Is your ASX-listed company doing something interesting? Contact: matt.birney@wanews.com.au