

# Chile Is The 'Long Term Lithium Superpower' That Investors Should Look To

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The lithium market has been hot for quite some time now. Every analyst out there has forecast that demand for lithium is only going to go up. Bloomberg New Energy Finance predicts an 18-fold jump in lithium demand from batteries by 2030, with 54% of new vehicle sales by 2040 being electric vehicles. Lithium, as a crucial component of electric vehicle batteries, is literally powering the green battery revolution.

***Yet, the share prices of the Top 3 lithium producers in the world have all fallen in the past two months.***

The catalyst was the news that SQM, the world's second largest lithium producer, had been given the green light to increase its annual lithium production quota by the Chilean government. Shortly after, Morgan Stanley released a research report predicting a 45% drop in lithium prices by 2025 due to supply increases from Chile.

This may seem like bad news for most lithium miners. But the truth is that companies with Chilean mining projects such as **Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** actually stand to benefit the most.

The 'why' can be summed up in four words: **High Purity, Low Cost.**

**Chilean Lithium: A Long Term Lithium Superpower**

Although lithium demand is expected to continue to soar, the days of sky high lithium prices may be limited. But Chilean lithium projects continue to hold an advantage, especially over the long term, because they are pushing the higher cost lithium projects out of the market.

In fact, Scotiabank analyst Ben Isaacson calls Chile a **'long term lithium superpower'**.

One big reason why is **Cost of Production**. Chile has the lowest cost of production out of anywhere in the world. As Barrons quotes Isaacson:

*"Production costs on the Salar are \$4,000 including royalties, so they're still printing money,"*



Even at the most pessimistic of forecasts, lithium prices are not expected to fall below \$7,000/ton, meaning that Chilean lithium remains a safe and profitable bet.

The Salar that he is referring to is the famous Salar de Atacama, the world's largest and purest active source of lithium. It is host to more than 15% of the world's known lithium reserves, yet its potential still remains largely untapped, with most exploration and production only having occurred in its southern part.

The Salar de Atacama is also where **Wealth Minerals Ltd.'s (TSX.V:WML)(OTCQB:WMLLF)** flagship project, spanning a massive 46,200 hectare concession area, is located. The project is also conveniently located almost right next to a major highway connecting Chile and Argentina.

In December 2017, geophysical surveys conducted at this project showed very positive results, and **Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** will be commencing its drill testing program very soon.

Of course, these positive results shouldn't come as a surprise, considering that the Salar de Atacama contains the highest purity lithium in the world. This is the other main reason that Chile is THE name when it comes to lithium mining.

Take a look at the data compiled by natural resource market intelligence specialists Signum Box:

## 1. Lithium reserves and resources

The Salar de Atacama in Chile has the best quality reserves of lithium in terms of K/Li concentration and low Mg/Li ratio



Deposit	Deposit type	Li	K	Mg	Ca	SO4	Mg/Li	SO4/Li	Ca/Li	SO4/K
Salar de Atacama Average (Rockwood Lithium and SQM)	SulpoMag- Li <sub>2</sub> SO <sub>4</sub> - LiCl- CaCl <sub>2</sub>	1,835	22,626	11,741	379	20,180	6	11	0.2	0.9
Salar de Hombre Muerto (FMC)	Na <sub>2</sub> SO <sub>4</sub> - K <sub>2</sub> SO <sub>4</sub> - Li <sub>2</sub> SO <sub>4</sub>	744	7,404	1,020	636	10,236	1	14	0.9	1.4
Silver Peak (Rockwood Lithium)	Na <sub>2</sub> SO <sub>4</sub> - K <sub>2</sub> SO <sub>4</sub> - Li <sub>2</sub> SO <sub>5</sub>	245	5,655	352	213	7,576	1	31	0.9	1.3
Salar de Olaroz (Orocobre)	Na <sub>2</sub> SO <sub>4</sub> - K <sub>2</sub> SO <sub>4</sub> - Li <sub>2</sub> SO <sub>6</sub>	774	6,227	2,005	416	18,630	3	24	0.5	3.0
Salar de Cauchari (LAC)	Na <sub>2</sub> SO <sub>4</sub> - K <sub>2</sub> SO <sub>4</sub> - Li <sub>2</sub> SO <sub>7</sub>	618	5,127	1,770	476	19,110	3	31	0.8	3.7
Salar de Maricunga (Li3)	KCl-LiCl- CaCl <sub>2</sub>	1,036	8,869	8,247	11,919	1,095	8	1	11.5	0.1
Salar de Uyuni Average	SulpoMag- Li <sub>2</sub> SO <sub>4</sub>	424	8,719	7,872	557	10,342	19	24	1.3	1.2
Salar de Rincón ( Rincon Lithium)	SulpoMag- Li <sub>2</sub> SO <sub>4</sub>	397	7,513	3,419	494	12,209	9	31	1.2	1.6
West Tajinaier (CITIC)	SulpoMag- Li <sub>2</sub> SO <sub>4</sub>	256	8,444	15,737	ND	35,315	61	138		4.2
Zhabuye Salt Lake	Li <sub>2</sub> CO <sub>3</sub> -Na <sub>2</sub> SO <sub>4</sub>	1,217	17,083	17	-	38,917	0	32		2.3

The logic is clear. Despite an uncertain price environment, lithium demand is only set to increase. However, only Chilean lithium projects may be able to remain profitable over the long term, even in the most pessimistic of scenarios. As the equation goes:

**Lowest cost of production in the world + Highest purity in the world = Long term lithium superpower.**

Chile's government is also generally clean and efficient. Transparency International ranks Chile 26<sup>th</sup> out of 180 countries in its 2017 Corruption Perceptions Index. Its lithium producing neighbor, Argentina, was ranked 85<sup>th</sup>. Chile's inflation has also been kept in a stable 1% to 6% range over the past five years, while Argentina's inflation rate has spiked as high as 40% and currently sits at around 25%.

Hence, Chile is THE place investors should be focusing on when evaluating lithium mining companies. There is just one dilemma facing investors looking to invest in Chilean lithium mining projects; the lack of pure play Chilean lithium mining projects!

## Wealth Minerals Ltd Is an Accessible Early Stage Pure Chilean Lithium Mining Play

It's true that the 'Big 3' lithium producers all have projects in Chile, particularly in the Salar de Atacama. However, NONE of these companies are actually pure lithium plays; as large conglomerates tend to do, they have diversified away from lithium. Here's the breakdown of lithium's contribution as a percentage of their revenues:

- Albemarle Corp: **36%**
- SQM: **27%**
- FMC Corp: **8%**

**Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** is a pure Chilean lithium mining play. In addition to its flagship 46,200 hectare concession in the Salar de Atacama, the company has an additional 29,300 hectares of concessions in four other areas in Chile. They are:

- **Laguna Verde Project:** 8,700 hectares in Region III, Northern Chile. This project is also located adjacent to a major highway. A positive geophysical survey was conducted in 2017 and the subsequent drill testing program is already underway.
- **Trinity Project:** 10,100 hectares located east of Atacama near the Argentinian border. A recent geophysical survey corroborated the positive results of a historical sampling, and its drill testing program will begin very soon.
- **Five Salars Project:** 10,500 hectares divided into five smaller projects. Geophysical surveys of these concessions are expected to begin soon.

**Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** has just completed its asset acquisition phase. Having acquired a diversified and high quality portfolio of Chilean lithium mining assets, the company is now moving strongly forward toward its development phase. As the company begins its drill testing program on most of its projects, positive news from those programs could be major catalysts for huge stock price gains.

## Top 5 Reasons Investors Should Consider Adding Shares of Wealth Minerals Ltd. to Their Portfolio

### #1 Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF) is still Attractively Priced

As an early stage lithium project just entering its development phase, **Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** has huge room for appreciation. Its stock is now trading for a very affordable CAD\$1.75, with a market capitalization that is still under CAD\$200 million.

## **#2 Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF) Offers Investors Early Entry into a Diversified Portfolio of Chilean Lithium Assets**

Chilean lithium assets are the most valuable assets in the lithium space, and look to remain that way over the long term. Investing in **Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** gives investors a great early entry point into a diversified portfolio of Chilean lithium assets.

## **#3 Chilean Lithium Is Lowest Cost Yet Highest Purity**

With average production costs that are expected to fall toward \$4,000 per ton even including royalties, Chilean lithium is the lowest cost in the world. Yet its lithium is also of the highest purity in the world.

## **#4 Chilean Lithium Can Survive In an Uncertain Price Environment**

Since Chilean lithium gives you the most 'bang for your buck' i.e. highest purity at the lowest cost, it is the most likely to thrive in an uncertain price environment. With concerns over increasing lithium supply pushing down the price, Chilean lithium is your safest bet.

## **#5 Lithium Demand Is Only Set to Grow Thanks to the Electric Vehicle Revolution**

Regardless of how the lithium price moves, experts are unanimous on the lithium demand trend: upwards. In this environment, it is pure play lithium projects such as **Wealth Minerals Ltd. (TSX.V:WML)(OTCQB:WMLLF)** that is the smartest choice to profit from the clean energy boom.