

DATAROOM

Chinese firm Yahua International takes cornerstone stake in new lithium explorer



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A worker with checking lithium batteries at a factory in China.

Tesla supplier Yahua International will take a cornerstone investment in Oceana Lithium, which is looking to raise up to \$6m ahead of a listing next month.

A pair of former Galaxy Resources executives are on board at Perth-based Oceana, which will be looking to advance lithium projects in Brazil and the Northern Territory.

Yahua, which supplies lithium to Tesla, has stakes in a number of Australian lithium companies, and last year signed a binding offtake agreement with Core Lithium, which recently made a final investment decision on its Finnis project in the Northern Territory.

The Chinese company also late last year tipped \$3.6m into lithium and precious metals explorer EV Resources and in November signed a strategic partnership with Eastern Resources to work together on that company's Trigg Hill lithium and tantalum project and also work "on the acquisition of further lithium projects".

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Yahua is a subsidiary of the Sichuan Yahua Industrial Group which is listed on the Shenzhen Stock Exchange and is one of China's major lithium hydroxide and lithium carbonate producers, according to documents lodged with the ASX by its various partners.

A release from late last year indicates that the Chinese company was producing 43,000 tonnes per year of lithium carbonate, lithium hydroxide and other lithium products, and was in the process of adding another 50,000tpa of lithium hydroxide and 1000tpa of lithium metal by 2025.

Yahua was a major offtake customer of Oroobre, which merged with Galaxy last year to become Allkem, which is now valued at more than \$8bn.

Oceana will issue up to 30 million new shares at 20c each to raise \$5.5m-\$6m, valuing the company at \$12.7m if the issue is fully over-subscribed.

Its projects include an early stage exploration project at Napperby in the Northern Territory, which consists of one granted exploration licence and one licence application, and the Solonopole lithium exploration project in Brazil.

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Former Galaxy executives Sebastian Kneer and Brian Talbot are on board, with Mr Kneer an executive director and Mr Talbot, who was general manager of Galaxy's Mt Cattin operation in Western Australia, a technical consultant.

If the full \$6m is raised, more than \$3m will be spent at the Brazilian project while \$760,000 has been budgeted for Napperby.

"Both Solonopole and Napperby are considered highly prospective for lithium and associated

minerals, given their locations within known pegmatite and lithium provinces in Ceara state,

Brazil and the Northern Territory," the company says in its prospectus.

"Both projects have undergone previous mineral exploration including geological mapping and geochemical sampling and, in the case of Solonopole, small scale artisanal mining by previous owners.

"The company may also consider acquiring (whether by purchase or application) additional

exploration projects focusing on metals required for the manufacture of batteries and electric

vehicles, such as nickel, cobalt, rare earths, graphite and other specialty metals that complement the company's existing projects and skills."

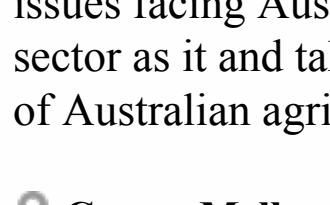
The company is chaired by prominent Perth resources figure Gino Vitale.

The Oceana offer is expected close on April 22 ahead of a listing scheduled for May 27.

CAMERON ENGLAND, BUSINESS EDITOR
Cameron England has been reporting on business for more than 18 years with a focus on corporate wrongdoing, the wine sector, oil and gas, mining and technology. He is a graduate of the Australian Institute of C... [Read more](#)



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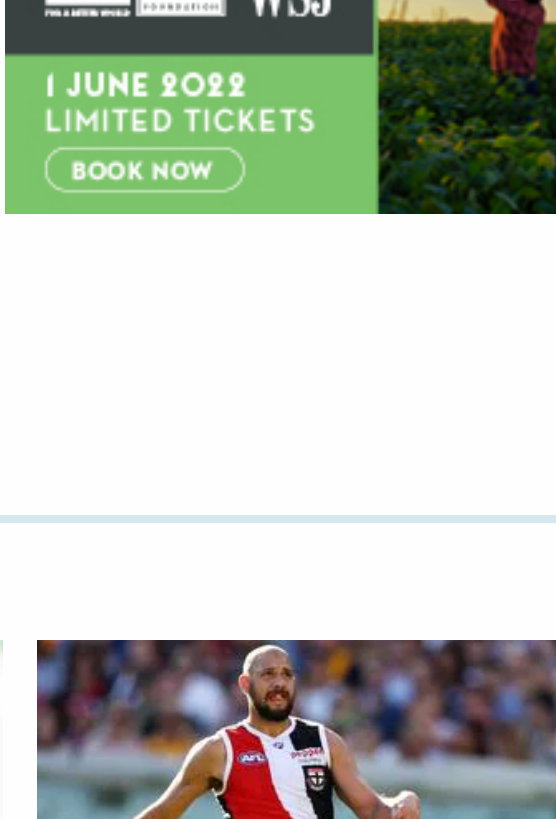


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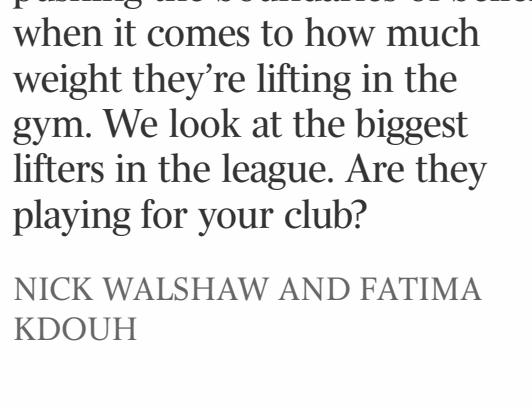
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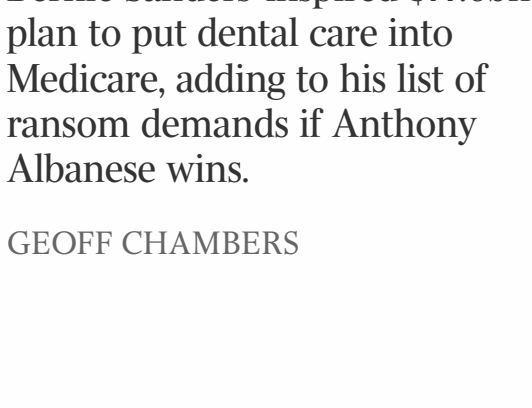


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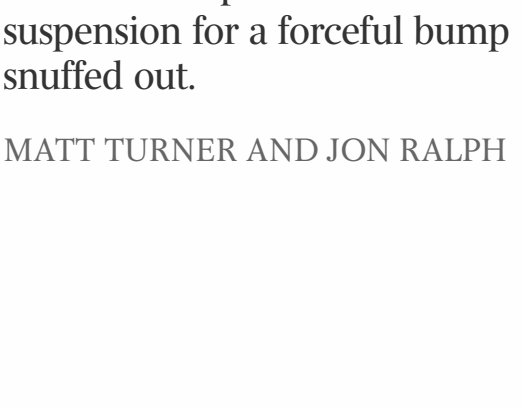
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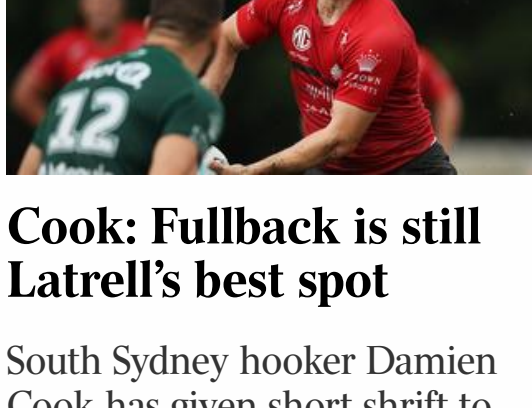
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