

## Materials

# Oceana Lithium has hit near-surface lithium spodumene in Brazil. Drilling starts this month

By Jonathon Davidson

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## KEY POINTS

- Oceana Lithium confirmed the presence of spodumene outcrops on-site its Solonópole Lithium Project in Brazil
- Spodumene is a lithium-hosting mineral which recently drove a number of AU lithium producers to record profits
- Oceana will be launching a low-cost drilling campaign on-site in the coming weeks within an existing open-pit development

Oceana Lithium ([ASX: OCN](#)) shares were up approximately 8% in late afternoon trade on Wednesday after the company confirmed its discovery of high-grade spodumene outcropping at its Brazilian Solonópole Lithium [Project](#) (SLP).

“The confirmed presence of spodumene has boosted Oceana’s confidence not only in the quality of the Mina Bom Jesus de Baixo target but in the prospectivity of the Solonópole Project as a whole,” Oceana chairman Gino Vitale said.

“Multiple lithium bearing minerals and potential zonation present in our ground indicate substantial lithium enrichment in this well- recognized LCT pegmatite district.”

The significance of this deserves a brief explanation. If auction prices and shareholder sentiment are anything to go by, spodumene—which is technically a pegmatite—has emerged as a holy grail in lithium exploration.

A number of major Australian lithium producers recently rode a wave of strong spodumene production to record profits, such is its importance.

To put things into perspective, whereas crude oil is refined and turned into well-known end-products like vehicle fuel and kerosene, spodumene can be thought of as “crude lithium”—the material is snatched up by downstream processors to be refined into lithium hydroxide or other products, often used in the Electric Vehicle (EV) battery supply chain.

## **So what has Oceana found?**

Oceana’s SLP contains existing open-pit mining assets, and at the bottom of one pit, Oceana has identified a spodumene outcrop, reflecting a near-surface lithium find.

The implication of a near-surface hit is that low-cost drilling can be undertaken to start forming a mineral resource.

Further mineralisation often coincident with lithium was also detected in the eastern- and western-most walls of the pit.

Spodumene was identified along with other pegmatites.

## A note on grades

Investor advisory firm Next Investors classifies high-grade lithium in hard-rock contexts as that in concentrations over 1%.

Compare that to three samples pulled from the open-pit at Oceana's SLP:

One sample @ 1.87% lithium oxide (Li<sub>2</sub>O)

One sample @ 3.09% Li<sub>2</sub>O

One sample @ 3.61% Li<sub>2</sub>O

Amblygonite was also detected in the pit, which is often coincident with spodumene pegmatite mineralisation. While that remains to be proven, the company is gearing up to do just that.

## Drills ready to launch

Oceana will kick off a 3,000m Reverse Circulation (RC) drilling campaign at the SLP this month, going straight for the pit area, called Mina Bom Jesus de Baixo.

“A maiden drilling program is planned to determine the actual dimensions, strike and dip of the Bom Jesus de Baixo pegmatite, which is difficult to map from surface due to limited outcropping exposures,” Vitale added.

An RC drill rig has been locked in and the company is finalising negotiations with landowning stakeholders. RC drilling is a style of drilling that uses a bit capable of collecting rock chip samples from underground.

It is typically cheaper than Diamond Drilling (DD), which returns whole cylindrical cores to surface. DD drilling is typically kicked off following first-stage or second-stage RC drilling.

### OCN ASX Chart



OCN one year performance chart

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