



MORNING COMMENT

Arkle Resources plc (ARK.L)*

12 Jan 2023

- **Price:** 0.58p
- **MCp:** £2.3m
- **Tck:** ARK.L
- **Sector:** Resources
- **Comm:** Gold, Base Metals, Lithium
- **Recommendation:** Buy

Lithium Discovery at Mine River

Arkle Resources (ARK.L) this morning announced the discovery of lithium bearing pegmatites on its Mine River licence, with 6 assayed rock chip samples showing lithium grades of over 0.02% lithium, one of which was 0.09%. Enriched levels of caesium, rubidium and tantalum were also found, which correlated with the elevated lithium grades and are known to be pathfinder elements for lithium.

FEQ Comment

These are encouraging results which provide early evidence that the Mine River licence could contain lithium caesium tantalum pegmatite deposits and provide close-ology proof of concept, given the projects proximity to the known lithium bearing Leinster Granite to the west.

It also helps to change the perception of Arkle Resources being solely a gold and base metal focused exploration company, with exposure now to a vital battery metal commodity. Increasing demand for lithium in anticipation of the global

adoption of electric vehicles, has led to prices increasing by around 10-fold since the start of this decade.

In addition to the Mine River lithium prospective project in Ireland, Arkle also holds three lithium licences in Zimbabwe, which were granted in June last year.

The very low current market cap of around £2.2m does not reflect the now wider focus being pursued in the exciting exploration arena of lithium. Furthermore, it does not price in Arkle's 23.44% interest in its Stonepark Zinc JV with Group Eleven and potential for the zinc/lead resource deposit to be expanded or/and any future value realisation event.

With these thoughts in mind, and prospect of further near-term lithium focused news flow at Mine River, we continue to recommend the shares as a '**Buy**'.

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