

# Patriot Battery Metals is marking its territory as a lithium explorer for Quebec's Battery Valley

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The province of Quebec appears to be going “all in” on powering the electric vehicle revolution. The bet is being placed in Becancour, a small town along the shores of the St. Lawrence River about midway between Montreal and Quebec City, which is rapidly emerging as a center for producing the advanced materials needed for lithium-ion batteries. Companies including General Motors, POSCO Chemical, and BASF are setting up shop to produce cathode active materials and lithium battery recycling in this strategic Quebec locale.

But what is the attraction to this particular location? Becancour offers an inviting combination of highly efficient logistics for delivering battery materials to both North America and Europe, and it has ready access to hydroelectricity that will lower the carbon footprint of products produced there, an advantage that can be passed on to the battery and EV sectors.

It also doesn't hurt that Quebec happens to be in a region that is rich in the minerals and metals needed for battery material manufacturing. With the support of the provincial and federal governments, Becancour is looking to become Canada's “Battery Valley.”

Given the commitment is already there, both from government and the private sector, who have announced billions in capital spending, one now needs to look upstream to see where they plan

to source the raw materials for this battery hub. As we discussed in the Dean's List, lithium is on the critical minerals list and a key battery component. Quebec appears to be blessed with an abundance of hard rock lithium or pegmatites which can contain a lithium bearing mineral known as spodumene. One company attracting a lot of attention in the lithium space is [Patriot Battery Metals Inc.](#) (TSXV: PMET | OTCQB: PMETF), a mineral exploration company focused on the acquisition and development of mineral properties containing battery, base, and precious metals.

Patriot Battery Metals' flagship asset is the 100% owned [Corvette Property](#), a 214 km<sup>2</sup> land package situated along a ~50 km lithium pegmatite trend, located in the James Bay Region of Québec. The high number of well-mineralized pegmatites in this core area of the trend indicates a strong potential for a series of relatively closely spaced/stacked, sub-parallel, and sizable spodumene-bearing pegmatite bodies, with significant lateral and depth extent, to be present. Located only 15 km from the high voltage power lines connected to one of the largest hydro power schemes in the world, there is potential for the Corvette Property to produce 'green lithium'.

There are two things that have attracted my attention with respect to Patriot Battery Metals. First is the abundance of impressive results to date and the fact that there is a lot more coming. The core area includes an approximate 2 km long corridor hosting numerous spodumene pegmatites, highlighted by the large CV1 and CV5 pegmatite outcrops, and has returned drill intercepts of:

- 1.65% Li<sub>2</sub>O and 193 ppm Ta<sub>2</sub>O<sub>5</sub> over 159.7 m (CV22-042)
- 1.22% Li<sub>2</sub>O and 138 ppm Ta<sub>2</sub>O<sub>5</sub> over 152.8 m (CV22-030)
- 2.13% Li<sub>2</sub>O and 163 ppm Ta<sub>2</sub>O<sub>5</sub> over 86.2 m (CV22-044), and,

- 2.22% Li<sub>2</sub>O and 147 ppm Ta<sub>2</sub>O<sub>5</sub> over 70.1 m, including 3.01% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> over 40.7 m (CV22-017).

A total of three drill rigs are currently operating at the Corvette Property – two targeting the CV5 pegmatite corridor and one targeting the CV13 pegmatite cluster. As of September 15, 2022, a total of approximately 19,199 m over sixty-five (65) holes have now been completed over the 2022 drill campaign with drilling anticipated to continue through to mid-October, at which time the 2022 drill program will conclude with final core processing on site and shipment to the lab for analysis.



**Source: Patriot Battery Metals Inc. Sep 19, 2022 [Press Release](#)**

As you can see from the illustration above, there is still a lot of outstanding assays pending for the summer drilling program. But perhaps even more intriguing is the Company's latest capital raise to fund drilling for the foreseeable future. I've seen a lot of flow-through share offerings in my time and even participated in several but I have never seen anyone command a price [representing a 109% premium](#) to the last traded share price prior to the offering. I know the Federal Government's [30% Critical Mineral Exploration Tax Credit](#) has added a little more incentive to flow-through shares but this premium is astounding (at least to me). Perhaps PearTree Securities Inc. is wildly bullish about lithium in Quebec and is more than happy to spend C\$20 million on 1.5 million shares at C\$13.27 when Patriot's stock price was at C\$6.35. I know it's made me pay a lot more attention to this stock.

However, Patriot Battery Metals is not a cheap stock at present. It, along with many of its lithium peers, are trading at or near all time highs despite what most of the rest of the market is doing. Granted lithium seems to have better economics right now

than most other metals, meaning the value creation for investors can be very steep on a successful asset. With that in mind, the Corvette Property doesn't have a resource estimate or PFS as of yet, which means there could already be a lot of optimism built into its C\$580 million market cap... or not.

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## Quebec, Canada set to become a critical battery materials' production hub

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### ***Imperial Mining's world-class Crater Lake Scandium-Rare Earth Project in Quebec will soon complete a PEA***

There have been some great news releases recently of new lithium ion battery materials projects coming to Quebec, Canada. The first was [BASF's cathode active materials and recycling facility](#) planned to be located in Bécancour, Quebec. The second was [General Motors and POSCO Chemical's \\$400 million facility](#) to produce cathode active materials for vehicle batteries, also in Bécancour, Quebec. It is looking like Bécancour in Quebec is to become Canada's battery cathode manufacturing hub. This bodes well for the development of an EV manufacturing industry in Quebec at some stage.

Today's company has key EV related metals, scandium and the magnet rare earths, as well as gold exploration; with three

projects located in Quebec, Canada.

[Imperial Mining Group Ltd's.](#) (TSXV: IPG | OTCQB: IMPNF) (Imperial) three projects in Quebec are the:

- [Crater Lake Scandium-Rare Earth Project,](#)
- [the Opawica Project](#) (gold exploration), and the
- [La Roncière Project](#) (gold exploration)

Imperial has progressed significantly over the past 6 months, announcing a Maiden Resource, drill results, and commencement of a PEA at their 100% owned Crater Lake Scandium-Rare Earth Project. Today we will look at the Crater Lake project and at what's next for the Company.

## Crater Lake Scandium-Rare Earth Project

### Maiden Resource

As [announced](#) in September 2021, Imperial's NI 43-101 Maiden Resource estimate for the TG Scandium-Rare-Earth Zone at its Crater Lake Scandium-Rare Earth Project is an **Indicated Resources of 7.3 million tons grading 282 g/t  $\text{Sc}_2\text{O}_3$**  and **Inferred Resources of 13.2 million tonnes grading 264 g/t  $\text{Sc}_2\text{O}_3$** . This is an excellent result putting the Crater Lake Project [among the top scandium resources in the world.](#) The Resource estimate also highlighted valuable magnet rare earths Nd, Pr, Dy and Tb. The Resource remains open to further expansion.

### Maiden Resource estimate and Resource Model for the TG Zone at the Crater Lake Scandium-Rare Earth Project



Source: [Imperial Mining Group company presentation](#)

### Recent drill results

Since the Maiden Resource, Imperial has had some stellar drill results including:

- [115.8 m \(379.9'\) grading 252 g/t scandium oxide \(Sc<sub>2</sub>O<sub>3</sub>\)](#) at the STG Zone. There are also elevated levels of total rare earth oxides plus yttrium (TREO+Y) of up to 0.475 %. The STG Zone is a new discovery, 2km south of the TG North Lobe Resource.

## PEA

Work on a 43-101 Preliminary Economic Assessment (PEA) on the TG Zone scandium-rare earth zone resource is advancing well, despite some delays. The PEA results were targeted for Q1, 2022, but now look like being in Q2, 2022.

## Imperial's Crater Lake Project location map and highlights



Source: [Imperial Mining Group company presentation](#)

## Next steps and targets

- Q2, 2022 – PEA results for the Crater Lake Scandium-Rare Earth Project to be announced.
- Late June 2022 – [A 2,500m drill program](#) on the TG Zone (Northern Lobe and Southern Lobe) to commence.
- End Q3, 2022 – Hydrometallurgical flowsheet development program results due.
- H2, 2022 – An update to the previous 43-101 Maiden Resource Estimate of the TG Zone.
- Late 2022 – Engineering design for Imperial's pilot plant program.
- Mid-2023: Definitive Feasibility Study (DFS), IBA, receipt of construction permits.

- Late Q4, 2025/Early Q1 2026: Delivery of first product (subject to permits and funding).

## **Closing remarks**

Imperial Mining Group is making good progress and has already delivered a solid Maiden Resource at their flagship 100% owned Crater Lake Scandium-Rare Earth Project. The PEA is expected to be out soon in Q2, 2022, with numerous catalysts to follow. Meanwhile, the magnet rare earths prices keep rising. All of this bodes well for the Company, as shown by the successful recent raise of [C\\$3 million](#) and a [C\\$245,355](#) Quebec Government award to optimize their Crater Lake Scandium recovery process.

Scandium is the rarest of the “rare earth” metals. Small additions of scandium to alloys with aluminum give properties of corrosion resistance, tensile strength, ductility, and low weight that make them ideal for weight reduction and safety in large scale battery boxes for EVs and in load bearing aircraft parts.

Imperial Mining Group trades on a market cap of [C\\$26 million](#) and looks to be in the right place at the right time. And let's not forget their gold exploration potential. Stay tuned.