The Shifting Dynamics of Resource Nationalism as the Demand for Critical Minerals is Set to Soar

written by Jack Lifton | April 18, 2024

As nations like Chile and Indonesia assert greater control over their resources, the global community must navigate this new reality where resource sovereignty becomes a cornerstone of national policy.

Chris Buncic on the “shocking” Chrysalis Copper timeline for production

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In an engaging interview at PDAC 2024, Critical Minerals Institute (CMI) Director Peter Clausi sat down with Chris Buncic, Director of Chrysalis Copper Corporation, to discuss the company’s ambitious plans in Chile. Buncic, bringing a wealth of experience from his tenure at Ascendant Resources and Alto Verde Copper / Interra Copper, shared insights into Chrysalis Copper’s strategy to revitalize two historical copper mines, leveraging their significant untapped resources for rapid production startup and growth. The company’s approach is to initiate production under small miners permits, a strategy that promises to expedite the timeline to production to less than 12 months for both the Linderos and Santa Monica projects.

Chrysalis Copper’s Linderos project, with a 15,000+ hectare land package, showcases a past-producing Tambor Mine with a fast track to re-initiation of production under a small miners permit, targeting an initial output of 250 tonnes per day (tpd). This project holds over 146 million pounds of copper in historical resources, setting the stage for a quick transition to NI 43-101 compliance and further exploration upside. Buncic highlighted, “It’s shocking that we’re going to be in production within 12 months. We have a great price for these operations and significant exploration upside on four drill-ready properties.”

The Santa Monica project echoes this rapid development approach, aiming for near-term production with substantial exploration potential indicated by historical resources and the proximity to other major mines. Both projects are poised for an accelerated path to production, minimal upfront investment, and significant ROI potential, underscoring Chrysalis Copper’s strategy to become a mid-sized copper producer in Chile with a steady-state annualized production target of 57 million pounds of Copper Equivalent (CuEq) across both projects.

Buncic’s previous success in turning around operations and driving them to profitability was a focal point, and the broad technical and management experience of the Company’s team in Chile will lead Chrysalis Copper towards a promising future. With plans to bring resources into compliance and explore the significant upside potential, there will be no shortage of catalysts to be watching for as these mines get closer to production. “The resources we’ve seen are great; they just don’t have core. So, we’ll go back, twin those, and within the next 12 to 18 months, we’ll have 43-101 compliant resources on each of these mines," Buncic stated, emphasizing the company's commitment to validating and expanding its resource base.

Chrysalis Copper Corporation, is set to rapidly advance its copper projects from near-term production to significant exploration and expansion, leveraging historical resources, strategic permitting, and an experienced team in Chile. This strategy not only underscores the company's potential for growth but also highlights its contribution to the copper sector's development in Chile, one of the world's premier copper-producing countries.

To access the complete interview, click here

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Technology Metals Report (03.01.2024): Biden Calls Chinese EVs a Security Threat and the Greenest Car in America May Surprise You?

written by InvestorNews | April 18, 2024

Welcome to the latest issue of the Technology Metals Report (TMR), brought to you by the [Critical Minerals Institute](https://) (CMI). In this edition, we compile the most impactful stories shared by our members over the past week, reflecting the dynamic and evolving nature of the critical minerals and technology metals industry. Among the key stories featured in this report are President Joe Biden's initiatives to restrict Chinese electric vehicles (EVs) citing national security concerns, the American Council for an Energy Efficient Economy's report naming the Toyota Prius Prime SE as the greenest car in America, and insights into the lithium market with investors remaining keen despite a price plunge. We also delve into the broader context of these developments, including the potential solution to the rare earth crisis through tetrataenite, BYD's exploration for a factory location in Mexico, and the ongoing challenges and opportunities facing the global electric vehicle and critical minerals markets.

This week's report also highlights various strategic collaborations and developments, including the significant challenge posed by China's EV industry to Detroit's Big Three automakers and Australia's navigation of a critical minerals market meltdown amidst declining prices for key exports such as iron ore, nickel, and lithium. Furthermore, we cover Lynas Rare Earths Ltd.'s (ASX: LYC) call for government vigilance in the volatile nickel market, China's lithium-ion battery industry facing excess inventory and production capacity issues, Energy Fuels Inc.'s (NYSE American: UUUU | TSX: EFR) record net income and uranium production ramp-up, and Mercedes-Benz's adjustment of its electrification goal. These stories underscore the rapidly changing landscape of the technology metals and critical minerals industry, spotlighting strategic collaborations, market dynamics, and the critical role of innovation and policy in shaping the future of sustainable technology and energy.

Biden Calls Chinese Electric Vehicles a Security Threat (February 29, 2024, Source) – President Joe Biden has initiated measures to potentially restrict the entry of internet-connected Chinese electric vehicles (EVs) into the U.S. market, citing national security concerns over their ability to transmit sensitive data to Beijing. The Commerce Department has launched an investigation into these security threats, marking the beginning of a broader strategy to prevent low-cost Chinese EVs from undermining U.S. automakers. This move comes amid growing tensions between the U.S. and China over trade and technology, with Biden emphasizing the need to protect the domestic auto industry from unfair Chinese practices. The investigation, a result of discussions with major automakers and unions, could lead to new regulations on vehicles using Chinese software, which is feared to collect extensive data on American users. This action is part of Biden's wider efforts to bolster U.S. technology restrictions against China and maintain competitiveness in the global auto market.

The 'greenest' car in America might surprise you (February 29, 2024, Source) – A new report from the American Council for an Energy Efficient Economy challenges the common perception that electric vehicles (EVs) are the greenest cars in America by naming the Toyota Prius Prime SE, a plug-in hybrid, as the top environmentally friendly vehicle. The Prius Prime SE can travel 44 miles on electricity before switching to hybrid mode, combining electric and gasoline power. The report assesses over 1,200 vehicles on their road and manufacturing emissions, including pollutants beyond carbon dioxide. Despite the growing market for EVs, the report emphasizes that a car's green credentials depend on factors like weight, battery size, and overall efficiency, not just its electric capabilities. Plug-in hybrids like the Prius Prime offer a balance for drivers by allowing short electric commutes and longer gas-powered trips, presenting a practical alternative amidst America's evolving charging infrastructure. Critics argue that fully electric vehicles remain the best option for environmental benefits, especially as renewable energy sources increase. However, the report suggests the importance of offering consumers a range of environmentally friendly choices to suit different needs.

Lithium Investors Are Looking Beyond Price Plunge, Chile Minister Says (February 28, 2024, [Source]) – Despite a recent downturn in lithium prices, investors remain keen on new lithium projects in Chile, as confirmed by the country's Mining Minister, Aurora Williams. This interest is fueled by the long-term prospects associated with the global shift towards renewable energy and electric vehicles, rather than short-term price fluctuations. Chile, home to the world's largest lithium reserves, has seen prices drop significantly since the introduction of a new public-private partnership model aimed at attracting investment while ensuring major deposits remain under state control. Despite this, major international companies like Rio Tinto Group and Tsingshan Holding Group have continued discussions with Chilean authorities, demonstrating a sustained interest in the sector. Chile plans to offer exploration rights in certain salt flats, with the possibility of private investors gaining either minority or majority stakes depending on the strategic importance of the area. This initiative is part of a broader effort to maintain Chile's status as a key player in the global lithium market, amidst growing competition and as the country also seeks to bolster its position in the copper industry.

Navigating the Climate Change Storm of ESG Withdrawal and Climate Change Commitment (February 28, 2024, Source) – Recent decisions by JPMorgan, State Street, and Pimco to exit Climate Action 100+ (CA+), amid political pressures, have sparked debate over the fate of global ESG initiatives. Nevertheless, CA+'s extensive network, including over 700 members and its collaborations with high-emission companies for a low-carbon transition, exemplifies the resilience of ESG efforts. Despite these withdrawals, the broader commitment to ESG principles, especially in the extractive industries with initiatives like Copper Mark and Responsible Steel, remains robust. This commitment is further reinforced by regulatory measures against greenwashing and heightened public activism for environmental protection and equitable benefits. These trends underscore that, far from diminishing, ESG remains a crucial driver of corporate strategy and societal expectations, suggesting a sustained impact on global business practices.

Tetrataenite as a solution to the rare earth crisis (February 28, 2024, Source) – The rare earth crisis, pivotal for modern technologies such as electric motors and wind turbines, stems from the scarcity and environmental impact of mining rare earth elements like yttrium and neodymium. As demand for these materials grows due to their importance in reducing fossil fuel reliance and combating climate change, shortages are anticipated. A potential breakthrough in 2023 by an international research team suggests tetrataenite, a meteorite mineral with similar magnetic properties to rare earths, as a solution. Unlike its natural slow formation in space, the team discovered a method to synthesize tetrataenite on Earth rapidly using common materials like iron, nickel, and phosphorous, potentially offering an alternative to address the rare earth crisis.

Chinese automaker BYD looking for Mexico plant location, executive says (February 28, 2024, Source) – Chinese electric vehicle manufacturer BYD is scouting locations in Mexico for a new factory, targeting the local market to enhance its share, as stated by BYD Americas CEO Stella Li. With an annual production capacity of 150,000 cars, the company plans to finalize the plant location by year-end. Recently surpassing Tesla in global EV sales, BYD's expansion into Mexico signals a potential competitive challenge to U.S. auto companies, amidst concerns from the Alliance for American Manufacturing about low-cost Chinese cars impacting the U.S. auto sector's viability. BYD's strategy focuses on serving the Mexican market, particularly eyeing central and southern regions for factory sites. The company's cost competitiveness is attributed to early investments in EV technology and extensive vertical integration. BYD also announced the launch of its Dolphin Mini EV in Mexico, priced significantly lower than the cheapest Tesla, aiming to make electric cars accessible to more Mexican consumers. However, challenges remain, such as the limited network of charging stations in Mexico.

China's Electric Vehicles Are Going to Hit Detroit Like a Wrecking Ball (February 27, 2024, Source) – China's electric vehicle (EV) industry, led by automakers like BYD, poses a significant challenge to Detroit's Big Three (Ford, General Motors, and Stellantis). Despite recent profits and optimistic forecasts for 2024, these American giants are struggling with their EV sales goals amidst the rapid emergence of affordable and efficient Chinese EVs. BYD, in particular, has sold millions of electrified vehicles, expanding its global manufacturing footprint to meet increasing demand. The competitive pricing and technological efficiency of Chinese EVs underscore China’s evolving industrial capabilities, transitioning from basic manufacturing to complex, high-tech production including cars and batteries. This shift represents a broader challenge to American automakers, who must navigate a changing market landscape while addressing structural vulnerabilities in their business models, heavily reliant on sales of trucks and SUVs to a niche market. The U.S. government faces a delicate balance of supporting domestic industries through subsidies and trade restrictions while fostering a competitive environment that encourages innovation and adaptation to the global shift towards electrification.

Australia’s Precarious Position: Navigating a Critical Minerals Market Meltdown (February 26, 2024, Source) – Australia is at a critical juncture, facing a significant downturn in the prices of key exports such as iron ore, nickel, and lithium, which underscores the country’s vulnerability due to its heavy reliance on these commodities and its dependence on China, its main buyer. The global implications of this market meltdown are profound, with the economic viability of mining and refining operations being challenged, as demonstrated by Lynas Rare Earths Ltd.’s (ASX: LYC) struggles at its Kalgoorlie ore processing plant. The decline in the nickel industry has uncovered manipulations of market prices, reflecting China’s strategic dominance over the global supply chain for rare earth elements and other critical minerals. In response, Australia is attempting to reduce dependence on Chinese processing by offering subsidies to local mining and processing operations, while also dealing with the economic repercussions of collapsing metal prices. This situation necessitates a strategic reevaluation of Australia’s role in the global minerals market, exploring options like underwriting national processing facilities to enhance the value of its mineral exports and diversify its economic base amidst changing global trade dynamics.

Rare earths leader Lynas warns govt on nickel fallout (February 26, 2024, Source) – Lynas Rare Earths Ltd. (ASX: LYC), a leading rare earths producer, has highlighted the importance of government vigilance in response to the nickel market's volatility and its broader impact on the mining sector. The company reported a 74% decrease in net profit to $39.5 million for the half-year ending December 31, attributing this decline to subdued prices for critical minerals, largely due to China's dominance in supply. Despite the market challenges, Lynas, the largest producer of rare earths outside China, emphasizes its strategy of being a low-cost producer to sustain profitability even in a weak market. Lynas is expanding its operations, including projects in the United States, and making contingency plans for potential disruptions in supply chains, such as sourcing sulphuric acid due to the possible closure of BHP's nickel refinery. The company's experience underscores the interconnected nature of the minerals industry and the need for strategic planning and government engagement to ensure resilience and competitiveness, especially in securing sovereign supplies of critical minerals.

China's lithium-ion battery industry faces excess inventory, production capacity as EV market downshifts: industry analysts (February 25, 2024, Source) – China's lithium-ion battery industry, pivotal in the global EV market, is navigating through a phase of excess inventory and production capacity due to decreased demand for electric vehicles. Analysts predict a challenging year ahead, with companies facing losses amidst a price war triggered by overcapacity. The situation has led to significant price drops in lithium carbonate and battery cells, exacerbated by reduced subsidies for EVs. With production far exceeding installation into products, further price declines are expected. The market is undergoing a clearing phase, with expectations of breaking even next year. Investment in new capacity is likely to decelerate. Despite a forecasted slowdown in domestic EV sales growth, the global lithium market faces a ballooning excess supply, raising concerns over the long-term growth prospects for lithium. Top battery and lithium mining firms may only see profitability by 2025, as the industry grapples with these challenges.

Energy Fuels Announces 2023 Results: Record Net Income and Earnings per Share, Uranium Production Ramp-Up, and Near-Term Production of Separated Rare Earth Elements (February 23, 2024, Source) – In 2023, Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) announced significant achievements including a record annual net income of nearly $100 million and the commencement of uranium production across three mines, aiming for a production rate of 1.1 to 1.4 million pounds per year by mid-to-late 2024. The company highlighted a strong balance sheet with over $220 million in liquidity and no debt. Revenue was primarily driven by uranium sales, with significant contributions from rare earth elements (REE) and vanadium. The sale of the Alta Mesa project funded investments in uranium and REE production. Energy Fuels is preparing for the near-term production of separated REEs, anticipating to become a leading producer outside of China. With a focus on growth, the company is also exploring expansions into additional uranium and REE sources, aiming to significantly increase production capabilities while capitalizing on market opportunities in both sectors.

Mercedes-Benz delays electrification goal, beefs up combustion engine line-up (February 22, 2024, Source) – Mercedes-Benz announced a postponement of its electrification target by five years, aiming for electrified vehicles to comprise up to 50% of its sales by 2030, a shift from the initial 2025 goal focused mainly on all-electric cars. This adjustment reflects a broader trend among automakers recognizing the slower-than-anticipated adoption of electric vehicles (EVs), as investments in EV technology and capacity have surpassed current demand. CEO Ola Kaellenius highlighted that even in Europe, a complete switch to electric vehicles by 2030 is unlikely, noting that EVs currently represent a small fraction of total sales. Mercedes-Benz reassured investors and customers of its commitment to refining its combustion engine vehicles alongside its EV ambitions, with plans for a significant lineup refresh by 2027. The announcement, coupled with a €3 billion share buyback program, positively impacted the company's stock, which saw a 5.9% increase. However, challenges such as economic slowdowns, supply chain issues, and geopolitical tensions have led the automaker to anticipate lower sales and reduced profitability for 2024.

Investor.News Critical Minerals Media Coverage:

- February 28, 2024 – Navigating the Climate Change Storm of ESG Withdrawal and Climate Change Commitment https://bit.ly/3SXymnP
- February 26, 2024 – Australia's Precarious Position: Navigating a Critical Minerals Market Meltdown https://bit.ly/3uWQoOZ

Investor.News Critical Minerals Videos:

- February 29, 2024 – PDAC President Raymond Goldie Bolsters

Toronto’s Status as Global Mining Investment Capital in Lead-Up to PDAC 2024 https://bit.ly/42VBDss

Critical Minerals IN8.Pro Member News Releases:

- March 1, 2024 – Voyageur Pharmaceuticals Ltd. Announces Closing of Private Placement https://bit.ly/432eRzi
- February 29, 2024 – Ucore Rare Metals to Present at the 2024 PDAC Conference https://bit.ly/3TglcUa
- February 28, 2024 – First Phosphate and Craler Sign MOU for the Development of Global Logistical Competencies to and from the Saguenay-Lac-St-Jean region of Quebec, Canada https://bit.ly/49xD5DI
- February 27, 2024 – American Rare Earths to present at two leading industry conferences in March PDAC and International Battery Seminar https://bit.ly/49uaFuu
- February 27, 2024 – Nano One Commences Feasibility Study for First Commercial LFP Plant and “Design-Once-Build-Many” Growth Strategy https://bit.ly/3TaFtum
- February 27, 2024 – Media Advisory – Neo Performance Materials Inc. Fourth Quarter 2023 Earnings Release & Conference Call https://bit.ly/3uSkeUQ
- February 26, 2024 – Appia Reports High-Grade Total Rare Earth Oxide Results up to 22,339 ppm or 2.23% on Diamond Drill Hole #1 Within Target IV at PCH IAC Project, Brazil https://bit.ly/48DKQHe
- February 26, 2024 – Kraken Energy Commences Drilling at Harts Point & Provides Corporate Update https://bit.ly/49r02bS

Lithium and Resource Nationalization: How Countries are Taking Control of Critical Minerals

written by Jack Lifton | April 18, 2024

A common joke among the credentialed is that the golden rule can be stated as “They, who have the gold, make the rules.”

A newer, more contemporary, version of the rule might be “They, who have the lithium, make the rules.”

Is China weaponizing Critical Minerals?

We are told repeatedly by American bureaucrats, academics, and elected policymakers that China is weaponizing critical minerals, such as lithium, in order to exert control over the “rules-based order” dominated by the United States that has shaped the world since the end of World War II.

The use of military analogies by developed world policymakers and industrialists and their captive media does not disguise their abject failure to realize that victimhood is not its own reward. In fact, to emphasize victimhood is to admit failure.

Developing nations paying the bill for the West’s assault on cheap energy

The apparent plan has been that the developing world, aka “the third world" should suicidally pay the bill in low-cost critical minerals for the West's current assault on cheap energy – the only hope that developing nations have for growth in their standards of living. This is necessary say the comfortable upper classes of the developed world to avoid a climate catastrophe that will victimize all.

Mining finance has been more and more directed towards tilting at the windmill of "climate change," but is now facing the hard reality of the non-existent understanding of the consequences of their acts by the so-called Western elites.

Nationalizing the Critical Mineral industries

There is a growing national awareness, and resentment, in many developing countries of the importance of certain "critical" commodities and how developed nations (the West) are dependent on them.

However, the group-think, climate-change fighting, developed nations and the self-centered, not-so-bright, policymakers of the West have failed to understand this reality.

But it seems that the policymakers of the primary national owners of those commodities have noticed it. The national owners of the critical minerals are finally rejecting the resource imperialism of the now-closing Eurocentric era and asserting their rights to domestic self-sufficiency.

First Mexico and now Chile, just this year, are nationalizing their lithium industries. Both nations are requiring that lithium produced domestically be processed domestically to add value and create wealth for their people.

This is not the weaponization of a commodity but the realization of its value in the place where it is produced.

Indonesia has done the same with its nickel, Peru (and Chile) are looking at nationalizing copper, and African nations who have restricted the activities and even thrown out Europeans are now pressuring the Chinese who replaced them to either add value to their mineral production locally or be nationalized and ejected.

Critical Minerals prices should increase

The fact that the world is heading into a global recession will temporarily derail the critical commodity price increase that will normally be capitalized through resource nationalization, but those prices will come roaring back when the recession ends and the ease of access to “third-world” natural resources has vanished forever.

Internal demand within critical minerals’ producing countries will also bolster prices.

China’s approach to Chile

While Americans concern themselves with the proper choice of pronouns, the Chinese have already approached Chile offering to add value within the Chilean domestic economy by setting up the processing of Chilean lithium into battery cathode material within Chile.

I have no doubt that the Chinese will ultimately offer to do the same for batteries and even vehicles within Chile and be paid by being allowed to export part of that finished production to other countries.

You need to understand the problem

You cannot solve a problem that you do not understand. The lack of technological and commercial issues awareness by the self-styled Western techno-journalists is appalling but understandable.

These writers clearly lack both a general scientific education, such as American high schools gave after World War II, and they do not have the necessary basic education, or, perhaps, intellectual ability, to choose who to ask for the relevant explanations. The American academic community is today so specialized, and ideologically damaged, that it is unable to separate the forest from the individual trees.

A perspective informed by knowledge of data, a general understanding of the laws of nature, and the ability to reason logically has vanished from the policy sphere in the West.

Argentina, the new Saudi Arabia of Lithium

written by InvestorNews | April 18, 2024

Former Chinese leader, Deng Xiao Ping, is most famous in mining circles for his oft-repeated aside from the 1980s that whereas “Saudi Arabia has oil, China has Rare Earths”. It didn’t grab much attention at the time because Rare Earths were largely a mystery to most listeners and, moreover, were not worth all that much and did not have many day-to-day applications then besides bringing red colors to one’s cathode ray tube television. The rest is history with the final wake-up call in 2009-10 as to what Deng was actually referring to in strategic terms.

Now we can add a third leg to the mantra because Argentina has lithium and oh, potentially, how much lithium it does have! In theory, Chile was the place to source lithium from brine lake lithium deposits (salares), but in a curious own-goal situation, Chile has squandered that advantage by trying to keep a tight control on the number of players and advantaging the two incumbents. Predictions are that Argentina will overhaul Chile in terms of lithium production by 2030. The result of the Chilean torpor at welcoming new entrants is that the surprisingly more laissez-faire attitude in Argentina has made it the go-to place for those wishing to stake positions in salares. Argentina has become something like, to paraphrase Deng, the Saudi Arabia of Lithium.

The Fluctuating Fortunes of Salares

One of the paradoxes of the middle of the decade was the "talking down" of salares as being in some way "too difficult" or too "long term". Having said that though, several of the highest-flying stories in the First Lithium Boom such as Orocobre Limited, Galaxy Resources Ltd., and Lithium Americas Corp. were salar-based. Back in that boom, and its current revival, there was/is a staking boom in the Argentine part of the Lithium Triangle of Chile, Argentina, and Bolivia that makes the California gold rush in the 1850s pale into insignificance. Explorers, quite literally, cannot get enough of Argentine lithium territory.

The caution relating to salares exploitation was powered by the mishaps that befell Orocobre and Rincon. However, in both these cases, the lessons learned meant that others will have the benefit of their difficult experiences. The argument that there

is a longer lead time for salar development (due to the need to kickstart the evaporation process) does not hold much water (pardon the bad pun) due to the much longer (and more expensive) drilling and resource estimation phase at a hard rock deposit and the much higher development costs at underground mines.
The downfall firstly of Canada Lithium, after the end of the First Lithium Boom, and then the travails of Nemaska, at the beginning of the latest recovery, have cast a pall in many investors' minds over large-cap underground spodumene mines.

The Road Most Taken

Despite perennial concerns about Argentina's political direction, the metaphorical road to the Argentine salares opportunity has become more like a Los Angeles expressway in peak hour, of late. Argentina has been in the Lithium game for decades, so is no newbie, but was always perceived as playing second fiddle to Chile. With opportunities to enter and develop new projects in Chile finding constant stones in the road, several of Argentina's Andean provinces have become veritable boomtowns for the Great & Good of the global EV revolution.

The long-established Livent (formerly FMC) was joined by Orocobre and Galaxy Resources (which then merged), and then a stampede of the elephants in the Lithium space occurred with Posco, Ganfeng, Tianqi and most recently Zijin Mining Group resetting the bar higher with its stunning move on Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF).

Then in November of 2021 TSX-listed miner Lithium Americas offered $400 million in shares and cash for Vancouver-listed Millennial Lithium Corp., the third offer for the company this year following one by China's largest battery maker CATL and another one by Chinese lithium producer Ganfeng Lithium. A feeding frenzy has begun.

Beyond these majors, there is an array of junior players hoping to replicate the Neo Lithium success story. One of these stocks that has come to attention lately is Edison Lithium Corp. (TSXV: EDDY | OTCQB: EDDYF).

Into the Fray

In mid-June 2021, Edison Cobalt Corp. as the company was then known, announced that it had entered into a Definitive Purchase & Sale Agreement to acquire Resource Ventures S.A. (ReVe), an Argentine corporation that owns or controls the rights to over 148,000 hectares (365,708 acres) of prospective Lithium brine claims in the province of Catamarca, Argentina. The claims are principally located in the two geologic basins known as the Antofalla Salar and the Pipanaco Salar in the famed Lithium Triangle.

The Transaction

To effect the purchase Edison inked an agreement to acquire ReVe and a 100% interest in its properties for a purchase price of $1.85 million paid by the issuance of ten million common shares of the company at a deemed price of $0.185 per share. All securities issued pursuant were subject to a hold period of four months from the date of closing.

The Political Scene

For most of the last two decades, Argentina has been ruled by irregular iconoclastic governments, most recently by the dynasts of the Kirchner family and before that the Duhalde regime the country with a brief interlude of fiscal conservatism under Mauricio Macri, elected President in the last quarter of 2016.

The major bugbears of foreign miners operating in the country have been:

- Currency controls – though the devalued Peso results (in theory) in lower costs for project development
- Export taxes on concentrates
- Import restrictions on equipment

The Macri regime reverted these and this coincided with the Second Battery Metal Boom of 2017. Though that boom proved to be fleeting, it reenergized players in the Argentine space.

The Macri regime fizzled after three years and the Kirchnerites were back in power, but mining (and particularly Lithium) scarcely missed a beat with the surge of development of salares (and increasingly large copper projects) at the current time.

There is a good case to be made that the relative lack of salares moving to production pre-2019 was due to the double negatives of the low lithium price between 2011 and 2016 and the death throes of the first Kirchnerite period making Argentina an unattractive place to advance projects. Pricing has resolved itself and the Argentine government is welcoming Lithium players with open arms.

Edison Lithium's pivot from Cobalt to Lithium looks like a prescient move. While Cobalt is much sought after it is seldom found. Unicorn hunting can be a long and expensive sport. With Argentina's rapid evolution as the "Saudi Arabia of Lithium" who could fault the company moving into the territory and building up a substantial position?

It's still early days of course with exploration, resource definition (and presumably more territorial expansion) still lying ahead. However, in elephant country, one is more likely to find elephants than gerbils. The hunt is on at Edison Lithium.

Copper, Lithium, and a Presidential Election in Chile, why does it matter?

written by InvestorNews | April 18, 2024

Now that COP26 has concluded perhaps some other items will begin to show up in the news cycle. However, unless you dig deep you may not be aware that on November 21st Chileans go to the polls to elect a new president. You may be wondering why I picked an election in Chile as something to pay attention to given all the things going on in the world today. I have to admit that I'm a little concerned about the build-up of Russian troops on the Ukrainian border in response to complaints of increasing NATO activity in the region. And you just never know what's going to happen when the Chinese and U.S. get together to discuss economic and military tensions. Yet despite all that I think the Chilean election could have greater global ramifications depending on the outcome…or it could be a non-event.

The reason for having a look under the hood at Chile's election is two-fold. One is that the leading candidates in the polls are currently from the far left and the far right, neither are from Chile's mainstream political parties. The second is Chile's contribution to two very top-of-mind commodities at present: copper and lithium. Has this information started to pique your curiosity? If it hasn't then it should and here's why.

In today's economic reality, as we move towards a cleaner, greener world with less carbon emissions, we are going to need a lot of copper to build out all the electrical infrastructure and of course lithium has been termed as the gasoline of the future. We've covered the macro necessity of both these commodities enough at InvestorIntel, so I won't get into the weeds on everything regarding copper and lithium. However, I will say that Chile is the world's largest miner of copper by a long shot. Mine production in Chile is approximately 28% of all copper mined in the world and the country is estimated to contain 23% of global copper reserves. Those are the kind of numbers copper investors need to pay attention to.

As for lithium, it's almost as impressive with Chile being part of the renowned Lithium Triangle. The Lithium Triangle is a lithium-rich region in the Andean southwest corner of South America, spanning the borders of Argentina, Bolivia, and Chile. Roughly 58% of the world's lithium resources are found in these three countries, according to the 2021 USGS Mineral Commodity Summary. Although Chile only accounts for an estimated 11% of global lithium resources, they are currently the world's second-largest producer with approximately 22% of the world's lithium production. Again, this is enough material so that any sort of disruption to order or rule of law could have serious ramifications that ripple around the world.

As much as I like to brag about Canada being rich in commodities, Chile is knocking it out of the park when it comes to copper and lithium. Hence the reason I'm paying attention to this election given the importance to a nation's commerce of an orderly transfer of power.

Now let's take a closer look at the background heading into this election. This is the first election since widespread protests over inequality rocked Chile in 2019. Some of those protests turned violent, with riots, arson attacks, looting and violent clashes with police, all sparked after the government increased public transportation fares. Things were bubbling below the surface for a while and this was the ignition point. Needless to say Covid impacts to the economy and its people further exacerbated these issues. This led to Chileans voting in a referendum in October, 2020 to rewrite Chile’s constitution which appeared to be the writing on the wall for the center-right coalition government that is currently in power. Then in May of this year, Chileans voted again in an election for delegates who would rewrite the constitution. The ruling coalition failed to pick up the one-third of seats necessary to block radical changes to the constitution. Meanwhile, the center-left, which has dominated politics since the end of Augusto Pinochet’s 1973-1990 military dictatorship, garnered less support than leftists who have been pushing for wholesale change to the ‘Chilean model’ that has been credited with fomenting growth, but also with deep inequality.

That’s the macro reasoning but layered on top of that are a couple of micro issues that investors should also be aware of. The country is debating a controversial mining royalty bill which could sharply hike tariffs on the sector. The royalty bill, under discussion in Congress, could shut down the country’s private miners by slapping a 3% royalty on sales of copper with a sharp escalator as copper prices rise. As well, there is a new glacier protection law, which could impact some key mines.

The people of Chile want change and it looks like they will get it with the polls being led by far left hopeful Gabriel Boric and ultra conservative front-runner, Jose Antonio Kast. Thus far both candidates have kept their powder dry on mining during the campaign. Left-wing candidate Boric has discussed royalties while Kast has proposed vague changes to mining property law to rev up the sector, including opening up state miner Codelco to more private investment. At this point, it’s difficult to understand what either candidate could mean to Chile's future as a mining powerhouse. Nevertheless, investors should be putting this election on their radar as there is potential for a lot more downside than upside, in my opinion. With that said, my hope is that this election is a non-event and results in an orderly transfer of power from one democratically elected party to another.

It should be noted that if no candidate gets a simple majority this coming Sunday, the top two will compete in a head-to-head ballot on Dec. 19. The polls suggest this is likely the next date you'll have to mark in your calendar if you feel, as I do, that it could be important to know who is the next President of Chile.

Wealth Minerals President on hitting the lithium market full force

written by InvestorNews | April 18, 2024

June 6, 2018 – "Every single brine asset in the world is visible from outer space. Everyone knows where they are. You are competing with everyone. There is no way you have a competitive advantage in terms of finding these things because everyone knows where they are. Your competitive advantage is in understanding the paradigm shift that is happening in the world first, picking a jurisdiction where you have competitive advantage and then basically hitting it with full force." states Tim McCutcheon, President of Wealth Minerals Ltd. (TSXV:

WML | OTCQX: WMLLF), in a recent presentation at the 7th Annual InvestorIntel Summit – Buds, Batteries & Blockchain 2018.

Tim McCutcheon: We will go through obviously the disclaimers and forward looking statements. The key thing about Wealth Minerals and, again, I think in the interest of time in having it be a little more focused, I have a tendency to skip around a little bit so please forgive me on that, but the idea really is to give you an understanding of what Wealth Minerals is and where we are going. The company has been around for a while obviously, but its current form in terms of being involved in the lithium space, started about 2 years ago. Market cap, anywhere between $150 and $170 million dollars. As I am sure you are probably aware that the volatility in the lithium market right now is quite high, lithium equity market, so things are moving all over the place. In general we are well north of a $100 million dollar market cap, which means that we are already getting interest from institutional investors and, sort of, out of the retail space and now into the institutional space. Four lithium projects, all of them in Chile. I think the key thing that we like to present about ourselves is, Chile as jurisdiction is a great place to be. It is a mining friendly place. It has a proven track record of over decades of being fair to investors, being stable, both on a macro level, on a fiscal level. It is not a country you go to wake up the next morning and find something horrible happened in newspapers. It is a fairly predictable place. As far as our team goes we have an unparalleled ability to operate within Chile in part because of the track record of the team. Our country manager is Marcelo Awad. He was the CEO at Antofagasta, one of the world's largest copper mining companies and he was an Executive Vice President at Codelco, which is a state mining company for Chile, obviously a major player in that country. There are a bunch of other reasons as well, but, again skipping on. As a timeline, as we just spoke about, about 2 years ago the company got started in the lithium space. Our basic idea was to put together a platform. That platform was put together in the beginning of 2016. Use that platform to acquire assets. Again, what I mentioned in the panel a little bit earlier, the lithium space, at least in where we are focused, which is South America a triangle for salars, brine assets. Every single brine asset in the world is visible from outer space. Everyone knows where they are. You are competing with everyone. There is no way you have a competitive advantage in terms of finding these things because everyone knows where they are. Your competitive advantage is in understanding the paradigm shift that is happening in the world first, picking a jurisdiction where you have competitive advantage and then basically hitting it with full force…to access the complete presentation, click here

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