Top 3 best valued lithium juniors, as lithium prices near a bottom

written by InvestorNews | December 13, 2023

Following an incredible 2022, the lithium sector has had a horrible 2023; however soon the pain should be over. The China lithium carbonate spot price is down 82.5% in the past year and is now below the marginal cost of production, meaning the lithium price fall should end very soon. This assumes the marginal cost producers continue to stop production and that EV sales continue to grow in 2024.

Banking on a critical minerals closeology heyday

written by InvestorNews | December 13, 2023

Regional mining plays or area plays can be quite exciting for investors if you are a participant in the early stages. Generally speaking, someone announces some exciting results and if there is any unstaked land in the regions, dozens of opportunists will stake claims in the vicinity in hopes that closeology will benefit them. The most recent example I can think of was sparked by New Found Gold Corp. (TSXV: NFG | NYSE American: NFGC) in mid-2020. They came out of the starting blocks with some incredible gold drill results in Newfoundland & Labrador. They quickly followed up with a bunch more out of this

world drill holes, and all of a sudden, if you were a Newfoundland gold play, you were along for the ride. Every time NFG posted results, almost everyone in the general vicinity got a lift to their stock price.

It's that early stage that creates the most excitement and euphoria because of all the blue sky potential. Albeit, if you bet on a player in the region that finally starts drilling their own play and results aren't spectacular, things can come crashing down in a hurry. But until that time, it's relatively easy for other players in the general vicinity to raise money and get a premium stock price on the back of the area player(s) that started it all. It can be a lot of fun (and quite lucrative) if you are early enough and disciplined enough to have tight stop loss orders or reduce exposure as the stocks jump around on news and rumors.

My introduction to this phenomenon was in the early 1990's when two distinct and separate opportunities began to take shape. One was the discovery of diamonds in the Northwest Territories. Soon everyone was staking claims and obscure places like Lac de Gras and Snap Lake became well known to a lot of investors who still may not be able to find them on a map. Around that same time was the huge nickel discovery in Voisey's Bay, Newfoundland & Labrador that spawned a frenzy that would be hard to replicate, even today. There were dozens of publicly traded junior miners, some legit and some that pushed the legal limits when it comes to disclosure. Fortunately, between the Voisey's Bay insanity and the Bre-X fiasco, reporting and legitimacy of drill results and resource estimates are something most investors don't have to worry about anymore.

I think we may be on the cusp of another regional mining play but perhaps driven by a couple of extra factors that seem to be important investing themes of late – supplying the carbon

emission reduction machine and “friend-shoring” or supply chain security. It should come as no surprise to readers that this is a recurring theme at InvestorIntel. Governments are passing legislation and doling out cash to support local supply, processing and infrastructure of critical minerals, while at the same time attempting to minimize or even eliminate Chinese influence. That is a tailwind for domestic mining companies, at least for the next few years.

So what do I think could be the next big regional mining play? Drum roll please….lithium. More specifically, hard rock lithium or pegmatite in Ontario and Quebec. Obviously, lithium has been a hot place for investors for quite some time now, but the bulk of the excitement was being generated by the big brine plays, mostly in South America. There have already been several big winners there including lots of M&A resulting in a lot of money made by investors.

With that said there has already been some pretty good runs for some of the Canadian lithium names. A quick look at the one year chart for Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF) and Patriot Battery Metals Inc. (TSXV: PMET | OTCQX: PMETF | ASX: PMT) and you’ll see double and a 10 bagger. But I think we are still in the early innings for this part of the world. Primarily because the market is desperate for non-Chinese owned, controlled or processed lithium supply. Additionally, hardrock lithium is simple, understood, and there appears to be plenty of it not far from key EV battery manufacturing locations in Ontario, Quebec and Michigan.

Another reason I think things could get really spicy for this area play is that most of the deposits identified thus far have been close to surface. That means a little bit of capital will go a long way to generating plenty of drill results for the market to chew on. Lots of news in a relatively short period of

time keeps the momentum going and draws in more investment dollars that in turn raises the premium of almost everyone in the region (at least initially). Add the potential wildcard of a takeover by a mining major and you could see share prices kick into overdrive. And why would I suggest something like this? Mining giant Rio Tinto (NYSE: RIO) recently stated it is actively searching for lithium assets as it expects prices for the metal to remain high for a long period of time.

To me, all the pieces seem to be falling into place for the type of focused regional mining play that can result in some pretty wild stock gyrations in a relatively short period of time. You have to be wary and nimble to achieve success when participating in this type of opportunity, but the rewards can be worth it. Ontario and Quebec are emerging as top lithium areas in mining friendly jurisdictions. Now the question is whether big money will start chasing this space and reward early investors.

Two ‘monster-sized’ lithium projects for high-risk appetites to chew on

written by Matt Bohlsen | December 13, 2023

Many people nowadays are just becoming aware of the lithium boom and the massive lithium demand wave ahead this decade. My models and articles have been forecasting the lithium boom since 2017 and the good news is we are only potentially just at the beginning of a lithium supercycle as EV’s gain market share each year. China lithium carbonate spot prices have already risen

almost 12x from US$7,000/t to ~US$83,000/t (CNY 592,500) over the last 3 years. Just last week global lithium expert Joe Lowry was quoted that he sees lithium prices rising further to US$97,000/t by 2027 and a base value of just below US$80,000/t.

Investors are on the search for lithium juniors that have the potential for monster-sized lithium projects, ideally in safe locations. Everyone wants to find the next Pilbara Minerals Limited (ASX: PLS), which has seen its stock price rise from A$0.15 to A$4.75 in less than 3 years, a very nice ~32x gain.

Today's two lithium companies have potential to be the next Pilbara Minerals. They both own great lithium projects in Canada with the potential to grow to become monster-sized North American lithium projects. They also come with risks, so some research and due diligence is always required.

The two companies are Frontier Lithium Inc. and Patriot Battery Metals Inc.

Frontier Lithium Inc. (TSXV: FL | OTCQX: LITOF) ("Frontier")

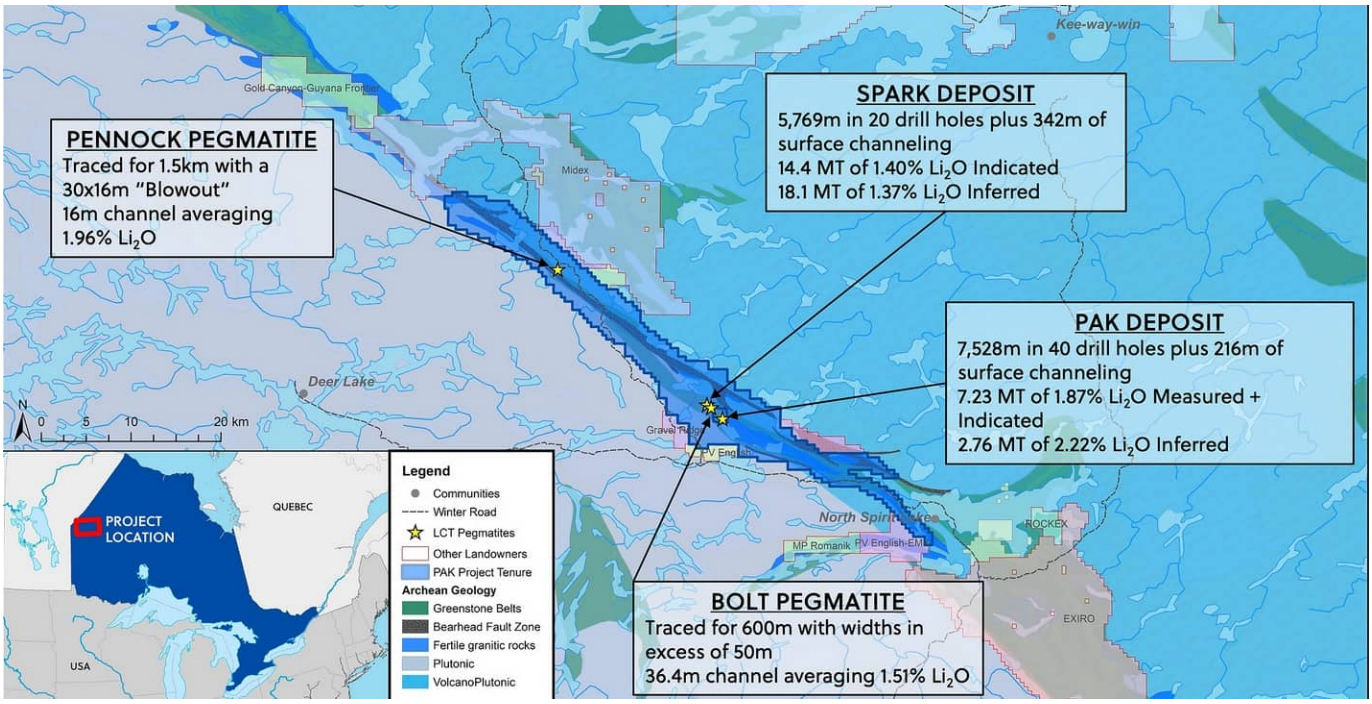
Frontier is developing their 100% owned PAK Lithium project in northern Ontario, Canada. The Project already has an M&I&I Resource estimate of 41.9Mt @ 1.54% Li2O (as of March 2022), with potential to grow to a 100+ million tonne resource. No other lithium junior has had drill results anywhere near as good as Frontier. Just one example of many great results, was announced in October 2022 and was a stunning 326.6.m of pegmatite averaging 1.92% Li_2O.

Frontier is currently still drilling and has plans to announce an updated resource estimate and a PFS by the end of Q1, 2023. The February 2021 PEA for the PAK Lithium Project resulted in a post-tax NPV8% of US$974.6 million, using lithium prices of only

US$13,500/t. One can hardly imagine what the PFS result might be. Certainly US$2 billion+ looks entirely possible, especially if Frontier uses lithium price assumptions closer to US$20,000/t. Sigma Lithium's updated post tax NPV8% was **US$5.1 billion**, so we would have to assume in time Frontier could potentially head in a similar direction. Frontier does still have some road access issues and permitting and project funding challenges ahead of them, so investors should be aware of the risks and also take a 5 year plus investing time frame.

Frontier Lithium currently trades on a market cap of only C$430 million (US$323 million).

Frontier Lithium's PAK Project in northern Ontario, Canada (PAK & Spark deposits included in the current 41.9Mt resource)



Source: Frontier Lithium website

Patriot Battery Metals Inc. (TSXV: PMET | OTCQB: PMETF) ("Patriot")

Patriot is focused on their 100% owned Corvette Lithium Project in James Bay, Quebec, Canada. The Project is still at a

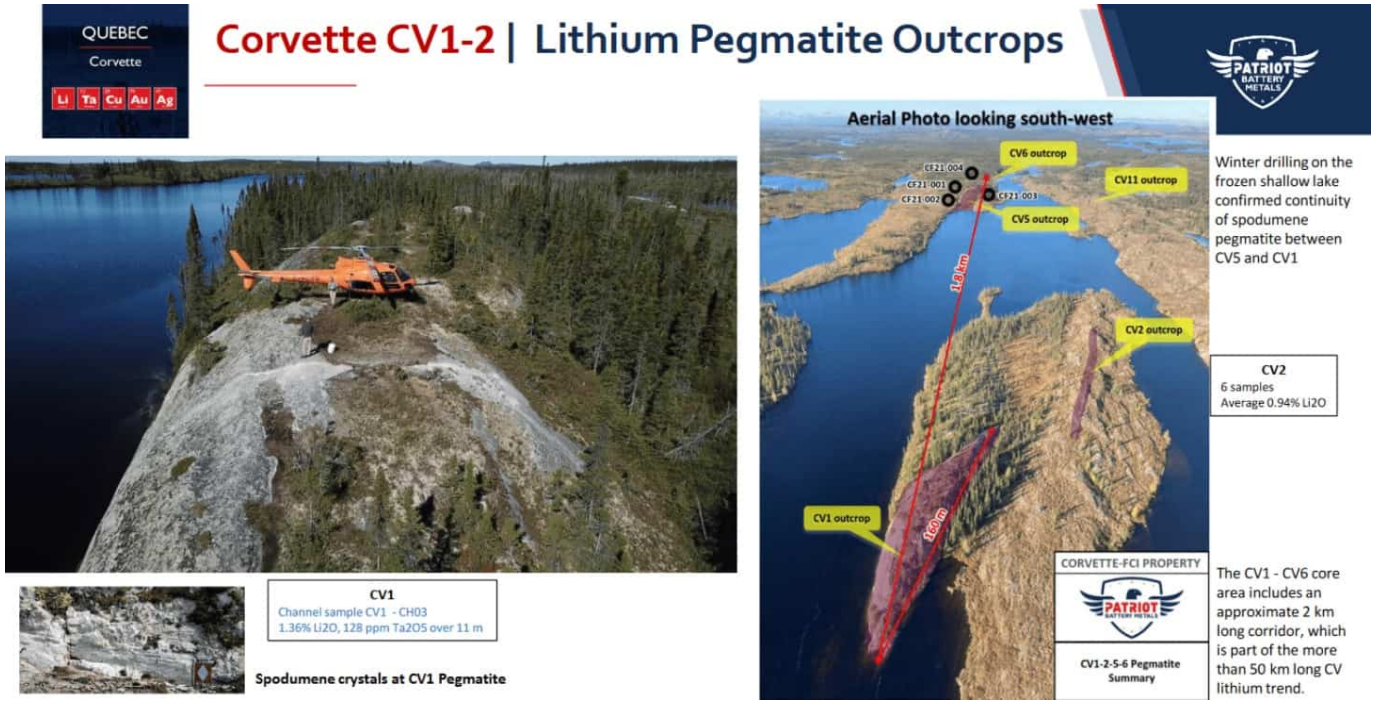
relatively early stage with no resource announced yet; but has some excellent drill results pointing towards this being potentially a huge lithium resource, in the order of 50-100+ million tonnes. Discovered in September 2021, CV5 is currently the largest outcropping deposit with its first drill result of a 146.8m at 0.93% Li2O and 114 ppm Ta2O5. Since then there have been several other great drill results and there are multiple outcropping pegmatite targets yet to be drilled. The main 2.2km pegmatite strike from CV1-CV6 remains open along strike at both ends and at depth. Spodumene has been encountered down to a vertical depth of approximately 315m. President & CEO Blair Way comments (from 30:45 min mark in the CEO video):

"With a 2.1km corridor even around 100m thick and 300m deep……it appears to be well and truly into the three digits……I think we will easily be over the 1.0, 1.2%….."

This looks to be a massive resource, but it will take the next two years to drill and grow it towards its potential. In late 2023 or early 2024, I would expect a maiden resource to be announced, followed soon after with a PEA or PFS. All weather road access and power are 15kms from the Corvette Project, so a minor challenge. Risks due to the early stage and again lithium juniors require a 5 year plus investing time frame.

Patriot currently trades on a market cap of C$486 million (US$365 million).

Patriot's Corvette Lithium Project showing the CV1 pegmatite outcropping and the CV1 to CV6 pegmatite corridor



Source: [Patriot Battery Metals company presentation]

Closing remarks

Early-stage lithium miners come with numerous risks but also potentially huge rewards. In the case of Frontier Lithium and Patriot Battery Metals, they are, in my view, the two most promising earlier-stage lithium juniors in North America.

There are also three other very advanced North American juniors (Piedmont Lithium Inc., Sayona Mining Limited, Critical Elements Lithium Corporation) that offer lower risk, less patience, but perhaps less reward. These 5 lithium stocks look likely to be the ‘fabulous 5’ that could become the backbone of the North American lithium industry along with Albemarle Corporation, Livent Corporation, and perhaps Lithium Americas Corp.

Disclosure from the Author: *The author is long all the lithium companies mentioned in this article.*

A look at the lithium market leaders as EV manufacturers face generational challenge to keep factories running

written by Matt Bohlsen | December 13, 2023
Investors are starting to realize the lithium boom is likely to last the next 1-2 decades. EV manufacturers are now facing a generational challenge to secure enough lithium supply to keep their factories running.

In 2021, the IEA forecast that the world will need **13-42x more lithium by 2040 (from 2020 levels)**. The 13x increase was based on the stated policies track (as of 2021) and the 42x increase was based on the sustainable development scenario (we move rapidly towards a world of zero emissions). Just this past week Benchmark Mineral Intelligence forecast: "Lithium has to scale **twenty times by 2050** as automakers face generational challenge". This was **based on 2021 levels**. Our exclusive research at Trend Investing forecast a **35x increase** in lithium demand **from 2020 to 2037**.

As of October 2022, the best positioned EV manufacturers are Tesla & BYD Co, and perhaps Ford & GM. These companies have made good preparations including multiple lithium off-take agreements and investments in the lithium companies or projects. Examples are Ford's July 2022 off-take and A$300 million debt facility agreement with Australian lithium junior Liontown Resources Limited (ASX: LTR), and the August 2022 GM off-take and US$198 million pre-payment deal with Livent. Both these recent deals show the new reality of what it takes to secure future lithium supplies.

Tesla Model 3 – A global leader in electric car sales the past 5 years

Who are the lithium leaders?

The lithium leaders are those lithium companies that are currently the leading producers and who have potential to significantly ramp their lithium production this decade.

Sociedad Quimica y Minera S.A. (NYSE: SQM) – A Chile company with a 51% share of the world's best lithium brine mine at the Atacama Salar in Chile. They also own 50% share of the Mt Holland spodumene project (with Wesfarmers) set to begin production in Q4, 2023. SQM is targeting lithium carbonate equivalent ("LCE") sales in 2022 of 150,000t, 210,000t in 2023, and 240,000t in 2024.

Albemarle Corporation (NYSE: ALB) – An American company often seen as the lithium leader. They own 49% of the Atacama Mine (with SQM JV) and 49% of the world's best spodumene mine Greenbushes in Australia. They also have a 50% JV ownership (with Mineral Resources) of the massive Wodgina Mine in Western Australia, which recently began producing again with plans for a large ramp ahead. The JV also has a recently completed hydroxide conversion plant (60% ALB; 40% MIN) in Kemerton, WA. Albemarle's production is targeted to increase from ~130,000t LCE in 2022 to ~220,000t LCE in 2025.

Ganfeng Lithium Group Co., Ltd. (SHE: 002460 | HK: 1772 | OTC: GNENF) – A Chinese lithium company focused on lithium refining, however now has multiple projects around the world including 49% of Mt Marion in WA and a 50% JV with Lithium Americas at the massive Cauchari-Olaroz project in Argentina due to start production soon. Ganfeng aims to boost production from ~90,000t in 2022 to 200,000tpa by 2025.

The other leaders with large projects include Pilbara Minerals Limited (ASX: PLS) with their massive Pilgangoora Mine in Western Australia (~90,000tpa in 2022/23), Mineral Resources Limited (ASX: MIN), Tianqi Lithium Corporation, Livent Corporation (NYSE: LTHM) and Allkem Limited (ASX: AKE | TSX: AKE).

Together the names above represent the biggest eight lithium producers and they produce most of the world's lithium today.

Some others such as AMG Advanced Metallurgical Group NV and a few smaller Chinese producers make up the balance of global lithium production.

The next or near term producers set to come online include (in rough order) Argosy Minerals Limited (ASX: AGY), Lithium Americas Corp. (NYSE: LAC | TSX: LAC), Core Lithium Ltd (ASX: CXO), – SIGMA Lithium Corporation (NASDAQ: SGML | TSXV: SGML), Sayona Mining Limited (ASX: SYA | OTCQB: SYAXF)/Piedmont Lithium (Nasdaq: PLL | ASX: PLL) (NAL Project in Canada), and Liontown Resources Limited (ASX: LTR).

There are also a bunch of other very promising lithium junior miners with potential to become new lithium producers after 2025. Three of the biggest projects could be in Canada with Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF), Patriot Battery Metals Inc. (TSXV: PMET | OTCQB: PMETF) and Frontier Lithium Inc. (TSXV: FL | OTCQX: LITOF).

Closing remarks

It may seem like there is a lot of lithium supply coming online in the next few years, but of course demand is rising faster than supply, assuming EV sales growth continues at a 50%+ growth rate as expected.

Could there be some periods of short term oversupply? Yes, but only likely if EV sales falter. Either way the decade or two ahead looks set to be a very exciting time for lithium investors and the lithium leaders discussed in this article.

Disclosure: The author is long Tesla, BYD Co and most of the lithium stocks mentioned in the article.

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New mineral resource estimate puts Power Nickel on the map

written by InvestorNews | December 13, 2023

Power Nickel Inc. (TSXV: PNPN | OTCQB: CMETF) announced the delivery of an initial NI 43-101 compliant mineral resource estimate for their Nisk nickel sulfide project near James Bay, Quebec. Power Nickel acquired 80% of the project from Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF). Following its initial 2,400-meter drill program completed last December, Power Nickel retained 3DGeo Solution to produce an NI

43-101 resource using the new and historical drilling results.

3DGeo Solution was the right company to develop this report. They have an intimate knowledge of the area in question, having worked on a few nearby mines. This fact is significant in any mining project as it is crucial to have professionals familiar with the terrain. While you might think any geologist could do the job, it is always best to have experts in the field who know the lay of the land.

The results of the estimate were promising. The estimate showed over 2.5 million tonnes of indicated resources at 1.20% nickel-equivalent (NiEq), and 1.4 million inferred tonnes at 1.29 % NiEq. The report showed average grades of 0.72% nickel, 0.42% copper, 0.05% cobalt, 0.11 g/t platinum and 0.72 g/t palladium. The infrared portion showed 1.4 million tonnes at 0.75% nickel, 0.53% copper, 0.04% copper, 0.04% cobalt, 0.18 g/t platinum, and 0.79 g/t palladium.

The report is an excellent start for Power Nickel. In the report, you can look at the isometric views and see where they can go next with infill drilling to add more tons at relatively low risk. That’s exciting for the company as mine developers, as they see that as a low-risk get.

Their team believes they can get another two or three million tons through infill drilling. The estimate also showed some exciting intercepts were at depth. They will be testing those in their upcoming drill program starting mid-August. Nickel Power believes that there is a potential mine present at the Nisk property.

The metallic mix in the Nisk property deposit should also derisk

the project in many ways. The presence of copper, cobalt, palladium, and platinum should ensure the profitability of this project. Additionally, the estimate utilized conservative numbers. Another nickel company last week used 25% more expensive numbers, highlighting the promise of this project.

Quebec is arguably the best place in the world to develop a mine. The Nisk property is a significant land position encompassing 20 km of strike length with numerous high-grade intercepts for multiple battery metals, including copper, cobalt, palladium, platinum, and nickel. Covering nearly 46 km2 south of James Bay, the Nisk property already hosts a number of mining projects and comprises two blocks totaling 90 claims. The property covers a large part of the regional volcano-sedimentary unit, which is also favorable for hosting Nemaska Lithium's Wabouchi lithium deposit.

The timing couldn't be better for Power Nickel. The property sits in an excellent position for infrastructure. The Route du Nord from Chibougamau sits inside the south border. The property can utilize power from the Hydro-Québec power line. Additionally, there is a road to the Eastmain River and the La Grande River area. Power Nickel is building the greenest nickel mine in history in part due to access to the Quebec hydroelectric grid.

If everything goes to plan, drilling is expected to continue in August. Be sure to bookmark this company as it continues to make progress toward becoming a player in the nickel mining industry.

Terry Lynch of Power Nickel talks about its new NI 43-101 mineral resource estimate at Nisk

written by InvestorNews | December 13, 2023

In this InvestorIntel interview with host Tracy Weslosky, Power Nickel Inc.'s (TSXV: PNPN | OTCQB: CMETF) CEO Terry Lynch talks about the just released significant inaugural NI 43-101 compliant mineral resource estimate on their Nisk nickel sulphide project near James Bay, Québec.

In the interview, which can also be viewed in full on the InvestorIntel YouTube channel (click here), Terry tells Tracy that "the one thing I would draw everyone's attention to is that we use very conservative numbers." Even so, he says the resource estimate reports more than 2.5 million Indicated Tonnes at 1.20 %NiEq and 1.4 million Inferred Tonnes at 1.29 %NiEq. In addition, Terry adds, "you can look at the isometric views and you can see very plainly where we can go with infill drilling to add a bunch of tons fairly easily and fairly low risk, so that's exciting for us."

Terry also talks about the advantage of Nisk's location, including other producing mines nearby, road access, being "across the road from a Hydro Quebec substation" for power, and good relations with local groups. "We're super close to infrastructure," he tells Tracy. "We believe we're the greenest nickel mine in history because of the access to the Quebec Hydro grid."

To access the full InvestorIntel interview, click here

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About Power Nickel Inc.

Power Nickel is a Canadian junior exploration company focusing on high-potential copper, gold, and battery metal prospects in Canada and Chile.

On February 1, 2021, Power Nickel (then called Chilean Metals) completed the acquisition of its option to acquire up to 80% of the Nisk project from Critical Elements Lithium Corp. (CRE:TSXV)

The NISK property comprises a large land position (20 kilometers of strike length) with numerous high-grade intercepts. Power Nickel, formerly Chilean Metals is focused on confirming and expanding its current high-grade nickel-copper PGE mineralization historical resource by preparing a new Mineral Resource Estimate in accordance with NI 43-101, identifying additional high-grade mineralization, and developing a process to potentially produce nickel sulfates responsibly for batteries to be used in the electric vehicles industry.

Power Nickel (then called Chilean Metals) announced on June 8th , 2021 that an agreement has been made to complete the 100% acquisition of its Golden Ivan project in the heart of the Golden Triangle. The Golden Triangle has reported mineral resources (past production and current resources) in a total of 67 million ounces of gold, 569 million ounces of silver, and 27 billion pounds of copper. This property hosts two known mineral showings (gold ore and magee), and a portion of the past-producing Silverado mine, which was reportedly exploited between 1921 and 1939. These mineral showings are described to be Polymetallic veins that contain quantities of silver, lead, zinc, plus/minus gold, and plus/minus copper.

Power Nickel is the 100-per-cent owner of five properties comprising over 50,000 acres strategically located in the prolific iron-oxide-copper-gold belt of northern Chile. It also owns a 3-per-cent NSR royalty interest on any future production from the Copaquire copper-molybdenum deposit, recently sold to a subsidiary of Teck resources Inc. Under the terms of the sale agreement, Teck has the right to acquire one-third of the 3-per-cent NSR for $3-million at any time. The Copaquire property borders Teck's producing Quebrada Blanca copper mine in Chile's first region.

To learn more about Power Nickel Inc., click here

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Gordana Slepcev of Lomiko Metals talks about their 18,000m drill program and graphite's ESG future

written by InvestorNews | December 13, 2023
In this InvestorIntel interview with host Tracy Weslosky, Lomiko Metals Inc.'s (TSXV: LMR | OTCQB: LMRMF) COO Gordana Slepcev talks about the company's aggressive 18,000 m drill program currently underway at their La Loutre graphite project in Quebec with first results expected later this summer.

In the interview, which can also be viewed in full on the InvestorIntel YouTube channel (click here), Gordana discusses

progress on the 120 drill holes on targets named the “Electric Vehicle Zone” and the “Battery Zone” at La Loutre. “The names of the zones are aspirational of where we want to be we want to be,” Gordana told Tracy, “a supplier of critical minerals, especially the graphite for these new and emerging technologies.” Gordana goes on to say that initial lab purification results from Lomiko’s La Loutre graphite project have resulted in over 99.9% purity and low contaminant levels, so “some of the physical and chemical characteristics of the graphite are excellent – better than we actually expected for this first pass.”

Gordana also talks about the importance of Lomiko’s commitment to being an ESG company. “The only way to go forward,” she says “is by adopting all these ESG principles, and we are spearheading that. The reality is in order to decarbonize our future we have to decarbonize transport,” and she says graphite will be an important part of that transformation.

To access the full InvestorIntel interview, click here

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About Lomiko Metals Inc.

Lomiko Metals has a new vision and a new strategy in new energy. Lomiko represents a company with purpose: a people-first company where we can manifest a world of abundant renewable energy with Canadian and Quebec critical minerals for a solution in North America. Our goal is to create a new energy future in Canada where we will grow the critical minerals workforce, become a valued partner and neighbour with the communities in which we operate, and provide a secure and responsibly sourced supply of critical minerals.

The Company holds a 100% interest in its La Loutre graphite development in southern Quebec. The La Loutre project site is located within the Kitigan Zibi Anishinabeg (KZA) First Nations territory. The KZA First Nations are part of the Algonquin Nation and the KZA territory is situated within the Outaouais and Laurentides regions. Located 180 kilometres northwest of Montreal, the property consists of one large, continuous block with 48 minerals claims totaling 2,867 hectares (28.7km2). Lomiko Metals published a July 29, 2021 Preliminary Economic Estimate (PEA) which indicated the project had a 15-year mine life producing per year 100,000 tonnes of graphite concentrate at 95% Cg or a total of 1.5Mt of graphite concentrate. This report was prepared as National Instrument 43-101 Technical Report for Lomiko Metals Inc. by Ausenco Engineering Canada Inc., Hemmera Envirochem Inc., Moose Mountain Technical Services, and Metpro Management Inc., collectively the Report Authors.

Lomiko is working with Critical Elements Lithium Corporation towards earning its 70% stake in the Bourier Project as per the options agreement announced on April 27th, 2021. The Bourier project site is located near Nemaska Lithium and Critical Elements south-east of the Eeyou Istchee James Bay territory in Quebec which consists of 203 claims, for a total ground position of 10,252.20 hectares (102.52 km2), in Canada's lithium triangle near the James Bay region of Quebec that has historically housed lithium deposits and mineralization trends.

To learn more about Lomiko Metals Inc., click here

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The Top 5 Lithium Development and Exploration Companies for 2021

written by InvestorNews | December 13, 2023

The electric vehicle boom continues to accelerate in 2021. Global electric car sales for May 2021 were up 199% YoY reaching 6.6% share. Europe sales rose 158% YoY reaching 16% share, China sales rose 146% YoY reaching 12% share. Global electric car sales are forecast to grow as much as 10x this decade, a statistic that is been helped by Europe's recent announcement to effectively ban emission producing cars from 2035, and strictly limit the allowable emissions from 2030.

As a result of the EV and energy storage boom, lithium demand is forecast to grow 11x this decade. More recently the International Energy Agency (IEA) forecast lithium demand to increase between 13x (low scenario) and 42x (high scenario) from 2020 to 2040. While existing lithium producers can expand supply new lithium miners will potentially be needed to fill the supply gap, particularly from 2025 onward.

Here are five lithium development and exploration plays to consider buying now and holding this decade.

1. Sigma Lithium Resources Corp. (TSXV: SGMA | OTCQB: SGMLF)
2. Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF)
3. Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF)
4. Global Lithium Resources Limited (ASX: GL1)
5. Lithium Energy Limited (ASX: LEL)

Sigma Lithium Resources Corp.

Sigma Lithium 100% owns the advanced stage lithium spodumene Grota do Cirilo Project in Brazil. The January 2019 Resource update for the Grota do Cirilo Project resulted in a resource estimate of Measured and Indicated 45.7 million tonnes @ 1.38% Li_2O and Inferred of 6.6 million tonnes @1.34% Li_2O. Sigma Lithium's Stage 1 Xuxa deposit (part of Grota do Cirilo Project) has a mining permit, pilot plant, and has sold all Stage 1 off-take (220ktpa) to Mitsui. Sigma Lithium is currently working to finalize the Xuxa production complex design and EPC for construction. Sigma has produced a PEA for both Stage 1 and Stage 2, and when combined resulted in a pre-tax NPV8% of US$844M. Stage 1 funding has been arranged and is expected to close soon, subject to due diligence.

Stage 1 lithium production is forecast to begin in H2 2022, Stage 2 to follow about 1-2 years thereafter, then potentially a Stage 3 after that. Sigma Lithium trades on a market cap of C$598 million (~US$472 million). One of the very best near term lithium producers.

Sigma Lithium's proposed layout for Stage 1 and 2 mine planned to produce 440,000 tpa spodumene (66,000 LCE)

Source: Sigma Lithium

Neo Lithium Corp.

Neo Lithium 100% owns the entire salar with their Tres Quebradas (the "3Q Project") lithium brine project in Argentina, covering 160Km^2. The 3Q Project has high grade lithium brine (3rd-4th highest globally) with extremely low impurities (lowest globally). The 3Q Project is advanced with pilot ponds already constructed and a lot of infrastructure in place.

The updated PFS resulted in a post-tax NPV8% of US$1.14 billion and post-tax IRR of 49.9%, with a 35 year mine life. The PFS was based on an initial 20,000t pa lithium carbonate production and has a CapEx of US$319 million and OpEx of US$2,914/t lithium carbonate. The EIS is currently under assessment with results due out soon. The FS is underway and is due out in Q3, 2021.

Contemporary Amperex Technology Ltd (CATL) (China's largest battery manufacturer) is a strategic 8% equity partner with board representation and pre-emptive rights. This bodes well for funding the project.

Neo Lithium trades on a current market cap of C$421 million (US$332 million). I rate them as one of the best lithium near term producers, with a potential 2023 start-up for production. You can read more in my article here.

Critical Elements Lithium Corporation

Critical Elements is developing their 100% owned Rose lithium spodumene project in Quebec, Canada. Critical Elements also own several other projects with potential for lithium, copper, nickel, zinc, lead, gold, silver, rare earths, and platinum group elements (PGE) as you can read here.

The November 2017 Rose Project Stage 1 Phase 1 Feasibility Study (based on an average production of 186,327t pa of chemical grade lithium concentrate and 50,205t pa of technical grade lithium concentrate) resulted in a post-tax NPV8% of C$726 million with a post-tax IRR of 34.9%, and a CapEx of C$341 million, over a 17 year mine life. Total operating costs net of tantalum by-product credit are forecast to be US$337/t spodumene.

All in all, Critical Elements has a great asset at Rose, and just needs to achieve financing. Possible 2023 or 2024 producer. Critical Elements trades on a current market cap of C$231

million (US$182 million).

Global Lithium Resources Limited

Global Lithium 100% owns the Marble Bar Lithium Project ("MBLP") in the Pilbara region of Western Australia. Global Lithium is a new ASX listing raising A$10 million on May 6, 2021 at A$0.20 per share. The MBLP Archer deposit has a maiden Inferred Mineral Resource of 10.5Mt @ 1.0% Li_20. The Archer deposit comprises a swarm of spodumene bearing pegmatites over a 3km by 1km zone.

What's quite interesting is that Global Lithium's MBLP is located in the very same Pilbara region as lithium producer Pilbara Minerals (market cap A$4.2 billion) and the Wodgina deposit (Mineral Resources (ASX: MIN)/Albemarle (NYSE: ALB) JV).

It is still very early days with a resource update planned for Q4, 2021. Global Lithium trades on a market cap of just A$35 million (US$25.5 million). High risk/high reward.

Global Lithium 100% owns the early stage lithium spodumene exploration project at Marble Bar, Pilbara region, Western Australia

Source: Company presentation

Lithium Energy Limited

Lithium Energy majority owns two projects – The Solaroz Lithium Project, Argentina (90% owned) and the Burke Graphite Project, Australia (76.5% owned, potential for 100%).

Lithium Energy is a new ASX listing from May 2021, having been spun out from Strike Resources. The Solaroz Lithium Project is spread over 12,000 hectares of very well located lithium

tenements within the Salar de Olaroz Basin in Argentina. The Solaroz Project is directly adjacent to the tenements of both Orocobre's project and Lithium Americas (NYSE: LAC)/ Ganfeng Lithium project. This is prime real estate in Argentina.

Lithium Energy is just at the very beginning of their exploration stage and will spend the next two years (assuming the EIA Report is approved) exploring their tenements.

Lithium Energy trades on a market cap of just A$30 million (US$22 million). High risk/high reward. Patience required.

Lithium Energy tenements [red] adjacent to Orocobre [yellow] and adjacent and near LAC/Ganfeng Lithium [blue]

Source: Lithium Energy

Closing remarks

If the forecasts are correct and we see a massive demand wave for lithium the next 10-20 years then there will be a need for a lot more new lithium miners. The five in this article include three potential near term lithium producers (Sigma Lithium, Neo Lithium, Critical Elements Lithium) and two very low market cap early stage lithium explorers (Global Lithium Resources, Lithium Energy Limited).

Be sure to diversify and not to miss one of the biggest trends this decade.

Disclosure: The author is long Sigma Lithium, Neo Lithium, Global Lithium Resources, Lithium Energy Limited

Market Bullishness on Lithium has eyes on Critical Elements Lithium

written by InvestorNews | December 13, 2023

The world is going to need a lot of lithium over the next several years if it wants to come anywhere near the goals being set by most G7 governments. The math is staggering as clearly defined by Jack Lifton in this great InvestorIntel article. So today we are going to look at one of the purest lithium deposits globally, the Rose Lithium-Tantalum project in Quebec. The project is owned and operated by Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF).

Rose Lithium-Tantalum Project:

The Rose Lithium-Tantalum property comprises 473 claims spread over a 24,654 ha area located in northern Québec's administrative region, on the territory of Eeyou Istchee James Bay approximately 40 km north of the Cree village of Nemaska. The property is accessible by road via the Route du Nord, usable all year round and is 80 km south of Goldcorp's Éléonore gold mine, 45 km northwest of Nemaska's Whabouchi lithium project and 20 km south of Hydro Québec's Eastmain 1 hydroelectricity generating plant. In essence, excellent access to infrastructure including roads, low-costs (low carbon – 93% hydroelectricity) power and skilled labor.

On November 27, 2017, the Company filed a National Instrument 43-101 technical report for the feasibility study of the Rose

Lithium-Tantalum project.

Highlights are as follows:

- Average annual production of 186,327 tonnes of chemical grade lithium concentrate
- Average annual production of 50,205 tonnes of technical grade lithium concentrate
- Average annual production of 429 tonnes of tantalum concentrate
- Expected life of mine of 17 years
- Average operating costs of $66.56 per tonne milled, $458 (US$344) per tonne of concentrate (all concentrate production combined)
- Estimated initial capital cost $341.2 million before working capital
- Average gross margin 63.6%
- After-tax NPV of $726 million (at 8% discount rate), after-tax IRR of 34.9% and price assumption of US$1,500 per tonne technical grade lithium concentrate, US$750 per tonne chemical grade lithium concentrate, US$130 per kg tantalum pentoxide

To summarize, the deposit is a hard rock resource that hosts high purity lithium material with low iron and low mica content with full support and cooperation from the Québec government, First Nations and local communities. The economics and quality of this project have been proven to be very lucrative.

With a market cap of roughly $305.6 million, based on 183 million shares outstanding at yesterday’s three year high close of $1.67, CRE is not an inexpensive, undiscovered micro-cap. However, you are getting a project that is on track to be fully permitted and start construction in 2021 with first production in 2023. It is located in a politically safe and supportive jurisdiction and with the increasing emphasis on supply chain

certainty there is a lot of potential value simply as a result of the location of the Rose project. Not to take anything away from the quality or robust economics surrounding Rose as well.

Looking at the chart, CRE appears to be breaking out from a five month sideways channel ranging from approximately $1.20 to $1.55. It has traded above $1.60 for the last five days on above average volume, closing above the $1.60 level twice in that span. Whether this is being driven by their recent news that the company had received UL ECOLOGO® Certification for Mineral Exploration, anticipation of the decision statement on the environmental assessment from the Impact Assessment Agency, which is due imminently, or simply a result of general bullishness surrounding lithium, the chart looks very constructive from a technical perspective.

All in all, Critical Elements Lithium represents a potential world class lithium mine (and a meaningful rerating opportunity that goes with that) plus speculative upside from the companies eight other projects. Would it have been nice to discover this gem a year ago when it was trading closer to $0.30 yet still had far less risk than a pure exploration play? Absolutely, and congratulations if you are a long term holder of CRE shares. However, if you are as bullish on lithium as Jack Lifton is you may want to take a closer look at Critical Elements Lithium Corporation.

It’s all in the name – Critical Elements Lithium

written by InvestorNews | December 13, 2023

There has been a lot of talk about Lithium (Li) over the last several months. We are all familiar with Lithium-Ion batteries in our laptops, cell phones, tablets, power tools and of course electric cars. But have you ever wondered why that is or are you like me (until now) and just took it for granted. Turns out Lithium has the highest electric output per unit weight of any battery material which is why it is the standard material for lithium-ion (high energy-density rechargeable) batteries. It also happens to be the lightest of all metals making for a pretty good one-two punch to be used in battery technology. The point is, until there is a material technological breakthrough, Lithium will be leading the charge towards electrification of our society.

To that end, the demand side for Lithium looks to be skyrocketing over the next several years/decades. Here’s some great information on this courtesy of InvestorIntel’s own Jack Lifton in this article. As well there is a whole lot of supply chain questions that have been raised by both the pandemic and Chinese dominance of many of the critical battery materials leading to a noticeable shift towards “home grown” supply. Jack Lifton covers this issue in a video that’s also worth a view here, where he discusses how the policy of the US government is to prioritize the production of critical materials either in the United States or in friendly countries that are allied with the US. Additionally, at this year’s virtual PDAC Canada announced its own list of minerals (including Lithium) considered critical for the sustainable economic success of Canada and our allies. Canada’s Minister of Natural Resources is quoted as saying

“Canada’s list signals to investors where Canada will focus and where Canada will lead. Critical minerals will get us to net-zero.”

Needless to say, there should be a bit of a premium to North American BEV (battery-powered electric vehicle) manufacturers to have a convenient and stable source of this important material. Perhaps even more importantly, critical minerals and their development has the support of the Federal government. Enter Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF). A Quebec based junior mining company with its flagship Rose Lithium-Tantalum project located in James-Bay, Quebec. The company has one of the most advanced Lithium projects in Canada and one of the purest lithium deposits globally. The company recently announced an update to its draft environmental impact assessment report in which the Committee concludes that the project is not likely to cause significant adverse environmental effects. This moves the Rose project one step closer to obtaining the final authorization and keeping Critical Elements on pace to start mine construction in 2021 and see first production by late 2022/early 2023.

In 2017, Critical Elements completed a feasibility study on Rose Phase 1 for the production of high quality spodumene concentrate with an internal rate of return for the project estimated at 35% after tax, a net present value estimated at C$726 million (8% discount rate) and a three year payback. Those are some robust numbers but it’s going to be expensive to bring this project into production. The initial capital cost is estimated at C$341 million including all infrastructure with a 10% contingency. Correspondingly, in January 2021, the company announced it has engaged Cantor Fitzgerald Canada Corporation to pursue, engage and evaluate global strategic partners and investors to advance the Rose Project to production. Given the outlook for Lithium, it’s plausible to conceive that Critical Elements will be able

to pick and choose the best deal for themselves to get the project financed (has anyone put a call into Elon Musk?).

In addition to the appeal of owning a company that could have a world class Lithium mine in full production by 2023 (and a meaningful rerating opportunity that goes with that), there is still some speculative upside from the companies 8 other projects. Even better, Critical Elements just announced an option agreement that gives Lomiko the right to acquire up to a 70% interest in the Bourier project. This agreement will allow the Bourier property to be explored in detail for battery minerals discoveries, such as Lithium, Nickel, Copper and Zinc while Critical Elements stays focused on goal #1 – the Rose Lithium-Tantalum project. However, with roughly $8 million dollars in cash, a financing decision has to be made to continue moving this exciting North American Lithium mine moving forward.