

Investor.Coffee (11.13.2023): Moody's downgrade on U.S. Credit Rating Outlook "Negative", Japanese wholesale inflation slows

written by Tracy Weslosky | November 13, 2023

Pre-Open Market Overview, Canada

Canadian markets are showing a downtrend, aligning with Wall Street futures which are slightly down after Moody's downgraded the U.S. credit rating outlook to "negative." European shares experienced a boost, primarily in the healthcare sector, while Japan's Nikkei index remained unchanged. Oil prices have seen a minor increase due to concerns over reduced demand in the U.S. and China, coupled with mixed signals from the Federal Reserve. Meanwhile, gold prices have risen marginally, and the U.S. dollar remains relatively stable against other major currencies.

Tax Selling Deadlines

For Canadian tax filers, December 27, 2023, marks the deadline for tax-loss selling. I mention this as we have a [CMI Masterclass on Critical Minerals and Flow Through](#) that I am hosting next Monday, November 20th at 7PM EST that I urge you to attend. Use the promo code CMI3 and you can secure a complimentary pass. I am writing the news release today. Transactions post this date will be counted for the 2024 tax year. The U.S. deadline, as per the IRS, is December 29.

European Stock Futures

Euro STOXX 50 futures rose by 7 points to 4,215, FTSE futures gained 6 points reaching 7,378, and German DAX futures increased by 5 points to 15,297 as of 0530 GMT.

Asian Market Trends

Asian stocks saw an upward trend, taking cues from Wall Street's Friday rally, despite Moody's downgrade of the U.S. credit outlook. Oil prices, however, receded after the initial rally, influenced by concerns over diminishing demand in the U.S. and China.

U.S. Market and Economic News

U.S. markets have witnessed two consecutive weeks of gains. Key factors that could impact this trend include Moody's recent downgrade of the U.S. credit outlook and the upcoming consumer price index release. Retail earnings reports from major U.S. companies are also anticipated.

Company-Specific News

- **Alphabet Inc. (NASDAQ: GOOGL):** Google is in discussions to invest in Character.AI, with negotiations ongoing regarding the terms.
- **Exxon Mobil Corporation (NYSE: XOM):** Exxon plans to start [lithium production](#) in Arkansas by 2026. Also, Exxon has reached a settlement with Iraq over the West Qurna 1 oilfield.
- **Ford Motor Company (NYSE: F):** UAW workers at Ford's Kentucky plants have [mixed opinions](#) on the new labor agreement, with production workers voting against it.
- **Livent Corporation (NYSE: LTHM):** Livent is set to meet Allkem investors [regarding a merger](#) that would create a significant lithium producer.

- Streaming Giants (Netflix, Disney, Warner Bros Discovery): They have agreed to pay significant bonuses as part of a labor deal with the SAG-AFTRA actors union.
- **NVIDIA Corporation (NASDAQ: NVDA)**: The U.S. restrictions on China are prompting Nvidia to innovate to meet market needs.
- **Tesla Inc. (NASDAQ: TSLA)**: EG Group [plans to buy](#) Tesla ultra-fast charging units to expand its EV charging network in Europe.

Economic Data Release

- The Federal budget for October is expected to show a deficit of -\$30.00 billion, compared to the previous -\$171.00 billion.

Europe/Asia Political and Health Updates

- UK Interior Minister Suella Braverman was dismissed amid allegations of political bias against London police.
- Former UK PM David Cameron surprisingly returned as foreign minister.
- U.S. Senator Tim Scott withdrew from the 2024 Republican presidential nomination race.
- Japanese wholesale inflation slowed, indicating easing price pressures.
- **Bayerische Motoren Werke AG (BMW) (OTC: BMWYY)** is [investigating](#) operations at a Moroccan cobalt mine following reports of legal breaches.

Lithium Ionic's Bandeira Project: A Game Changer in the World of Critical Minerals

written by Tracy Weslosky | November 13, 2023

In a significant news this morning, Lithium Ionic Corp. (TSXV: LTH | OTCQX: LTHCF) has announced the results of its Preliminary Economic Assessment (PEA) and an updated Mineral Resource Estimate (MRE) for its Bandeira project. Located in the mineral-rich state of Minas Gerais, Brazil, this wholly-owned project stands poised to make a seismic impact in the world of critical minerals and rare earths.

Incompetent Experts: For Critical Minerals, this is not an Oxymoron.

written by Jack Lifton | November 13, 2023

I am often asked to introduce technology metals based ventures to the sourcing/purchasing activities of the OEM automotive industry, based in Detroit, where I have lived for most of my 83 years, and for which I was a supplier of production parts and engineered materials for more than 30 years.

I find an almost complete lack of understanding of marketing and sales to the OEM automotive industry to be common among technology metals miners and refiners, who are of course the anchor companies of any and all production parts' supply chains.

In the past this has been of little interest to the OEM automotive industry due to its standard operating procedures of choosing preferred vendors, known in the industry as Tier One Vendors, who then became responsible for choosing their own vendors of parts and services, subject to the acceptance of the Tier One product by the end-use customer's internal Production Part Acceptance Protocol (PPAP), and even then, subject to on-time delivery, in the agreed quantities, to the customer's specification at the agreed pricing. Failure in any one of these required categories could, at the discretion of the OEM, result in the "desourcing" of the (approved otherwise) vendor. To ensure security and continuity of supply, the end-user normally would have a primary Tier One vendor and at least two alternates, each of which would normally get a small percentage of the total "buy" to keep it in the game. The alternates would be required to have the capability and the capacity to supplement or even replace the primary in the event of partial, or even total, non-performance by the primary.

Such Tier One Vendors are of course operating companies with an existing output or capability to produce the parts in question. They will have positive cash flow and, typically, are public companies with a listing on a major exchange and a substantial market cap. The core competency of each and every company in the total supply for the part chain would be required and it is understood to be guaranteed to the OEM by the Tier One.

Nowhere is the decay of proven, verifiable, competence as the sine qua non "standard" more apparent than in the, most likely to be, disastrous exemption of the PPAP standard in the OEM

automotive industry for lithium-ion battery manufacturing. Rare earth permanent magnet motor manufacturing may soon be compromised by the same decay of standards.

The pathetic and jejune industry “experts” who not only analyze but, even worse, advise the OEMs on the sourcing of production parts based on critical metals are unified by their almost complete lack of practical experience, education and knowledge of the origin, processing, fabricating and manufacturing engineering at commercial scale of the **total** supply chains for the critical metals enabled devices upon which the motive power, “engine” management, and supply of information for the drivers of EVs depend.

Last week we were told by this “expert” class of journalists and advisors that both [germanium and gallium](#) were “rare earths” and that they were used in batteries. Both “expert” statements were completely wrong and misleading.

Earlier this year we were told and continue to be told by an “expert” firm that the economy needs “only 300” more lithium mines to meet the needs of a zero-carbon economy. Apparently, these fools think that there is not only a standard size lithium mine, but also a standard predictable demand for lithium. Mining engineers and mining company CFOs will be delighted to find out about this development.

I’m going to try from now on to list the Erroneous Critical Minerals Supply and Demand statement of the Week each Friday.

Attention manufacturing executives and policy makers: You need to do a due diligence review of your “experts,” before you act on their advice.

Hint: Make sure that their jobs don’t depend on always agreeing with you.

A final comment: Germanium and gallium are critical to chip manufacturing, LEDs, and military optics. The “CHIPS” act and the “IRA” pledged more than \$50 billion in subsidies for domestic chip manufacturing and battery manufacturing, but not ONE CENT for domestic gallium or germanium production.

Is this how policy experts in Washington think we can become independent of Chinese dominance in critical minerals production and processing?

Consolidated Lithium Metals aims to help supply North America with the surging demand for lithium

written by InvestorNews | November 13, 2023

Demand for lithium-ion batteries (and hence lithium) in North America is set to surge 13.8 fold from 2022 to 2035. The US Inflation Reduction Act has led to a massive increase in planned battery manufacturing in North America to support a North American supply chain for electric vehicles and energy stationary storage.

With the goal to become a leading graphite supplier, Gratomic is hoping good fortune favors the bold

written by InvestorNews | November 13, 2023

This begs the question, how can you commercially produce graphite in two months without a resource or even an estimated reserve. Gratomic takes quiet comfort from the fact that on September 20, 2022 the Aukam mining team began extracting graphite from a newly discovered graphite vein, unearthing more than 150 tonnes of graphite in one working shift and breaking the record of graphite extracted at Aukam in a single day. By mid-October, its bench-mining program had extracted a cumulative total of 2,600 tonnes of graphite. Armed with data points like this, the Company is looking to steadily ramp up production at Aukam to 22,000 tonnes per year of graphite production.

Jack Lifton on the Critical Minerals Crisis

written by Jack Lifton | November 13, 2023

We are now at an inflection point for our society. If we can secure the supplies and the processing capacity for the minerals critical for the technologies we now take for granted in our daily lives, then our nations will flourish and grow. If not,

then our standard of living will decline, and those who have the critical minerals and the industrial bases to refine and fabricate them surge ahead of us. Our politicians and policymakers are woefully ignorant of this reality. This is the greatest danger of all to our lifestyle and security.”

The Nano One manufacturing hub represents a game-changing opportunity to secure sustainable and clean battery supply chains in NA

written by InvestorNews | November 13, 2023

One of the largest gaps in the North American EV metals supply chain is the need for ‘western supply’ of lithium iron phosphate (“LFP”) cathodes used in most standard range electric cars, smaller electric cars, commercial vehicles, and stationary energy storage. These demand areas are set to surge this decade, yet where is the non-China supply of LFP going to come from?

Terry Lynch of Power Nickel on EVs Driving Demand for Nickel & Tax Benefits from Working in Quebec

written by InvestorNews | November 13, 2023

In this InvestorIntel interview, Tracy Weslosky talks with [Power Nickel Inc.](#)'s (TSXV: PNPB | OTCQB: PNPBF) CEO Terry Lynch about [discovering](#) a new high-grade copper and PGM (platinum group metals) mineralized zone on their Nisk Project in Quebec, Canada. The new target area, called the "Wildcat" by the company, is 5km northeast of the main Nisk deposit, Terry discusses the "bonanza style results" with 'significant' amounts of platinum, palladium, and gold.

Terry goes on to talk about the competitive advantages of the Nisk Project being located in Quebec, Canada, with both Quebec and Canadian governments providing substantial incentives to explore for critical minerals and build mines.

Terry also talks about the significant growth in the nickel market driven by urbanization and electrification, particularly electric vehicles (EVs). With urbanization currently accounting for 70% of the nickel market from uses such as stainless steel, Terry discusses how electrification is expected to reach 50% of the nickel market by 2030.

Power Nickel is focused on delivering more drilling results in the coming months and is fully funded for exploration activities. Advanced exploration technologies, such as the recently completed airborne EM survey and the upcoming Ambient Noise Tomography work, will be used to find the nickel

mineralizations faster.

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 kilometres of strike length) with numerous high-grade intercepts. Power Nickel is focused on expanding the historical high-grade nickel-copper PGE mineralization with a series of drill programs designed to test the initial Nisk discovery zone and to explore the land package for adjacent potential Nickel deposits.

Power Nickel announced on June 8th, 2021, that an agreement had 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 130 million ounces of gold, 800 million ounces of silver, and 40 billion pounds of copper (Resource World). 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 also 100-percent 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 that was 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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If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

Ford Enters a 'Brave New World' in Securing Lithium for Battery Gigafactories to Drive EV Production Surge

written by InvestorNews | November 13, 2023

[Ford Motor Company](https://www.ford.com) (NYSE: F) hosted its investor event on Monday and it would appear that in a single investor day presentation the Company has gone from worst to first when it comes to securing battery-grade lithium supplies to scale up its electric vehicle production. I'm pretty sure all these deals didn't come

to fruition over the weekend, but they sure made a splash when they were presented on Monday.

In total, Ford announced deals with five separate companies sourcing lithium from all over the world, including Quebec, Chile, Argentina, Australia, and a few U.S. locations sprinkled in for good measure. These latest supply deals announced by Ford complement the [ioneer Ltd](#) (ASX: INR | NASDAQ: IONR) contract [signed in July 2002](#).

Ford Investor Day Lithium Announcements

According to the Ford Investor/Analyst Day presentation transcript (yes I scanned most of the 78 pages and know way more about Ford than I ever wanted to know), they've now sourced about 90% of the nickel and the lithium to meet their future capacity targets, including producing 2 million electric vehicles (EVs) by 2026. On Monday, the Company announced lithium agreements with 3 of the top producing major global suppliers – [Albemarle Corporation](#) (NYSE: ALB), Chile's [Sociedad Química y Minera de Chile S.A.](#) (aka "SQM") (NYSE: SQM), and [Nemaska Lithium](#).

Nemaska is a joint venture backed by [Livent Corporation](#) (NYSE: LTHM) and the [investment arm of the Province of Quebec](#). According to Ford, these are some of the largest lithium producers in the world with the best quality, existing capacity, and [IRA compliance](#) (although Albemarle does have plenty of Chinese processing capacity but we'll assume Ford knows that).

US-Based Lithium Development Deals

Coupled with these deals with major players to provide stability

to its plants, Ford is also investing in U.S.-based development projects through agreements with [Compass Minerals International, Inc.](#) (NYSE: CMP), [EnergySource Minerals LLC](#) (*private*), and the previously announced deal with *ioneer*.

The interesting thing about these investments is that Ford is basically pursuing promising technology that has yet to be proven at scale. Ford claims they are developing extraction technologies to further diversify the industry, but if they are betting on the right horse, it could certainly give them a leg up on the competition.

A Bet on Direct Lithium Extraction Technology

Specifically, we are talking about direct lithium extraction (DLE) technology. The Holy Grail for lithium extraction as it seeks to extract the white metal from brine using filters, membranes, ceramic beads, or other equipment that can typically be housed in a small warehouse. It would enable miners to boost global lithium production with a footprint far smaller than open-pit mines and/or evaporation ponds, which are often the size of multiple football fields.

Compass and ESM are using ESM's proprietary [ILiAD™ adsorption technology](#), which is a DLE technology that competes with what *ioneer* and [Lithium Americas Corp.](#) (TSX: LAC | NYSE: LAC) are pursuing at their respective projects. The pursuit and potential success of DLE technology is easily an article in itself, and probably well above my pay grade to do it justice.

FIGURE 1: Giga Factory Locations



Source: Ford Investor Day Presentation (May 22, 2023)

Ford to Build 5 New EV Battery Giga Factories

So we'll circle back to the Ford story and talk about why they've locked in several large, multi-year lithium supply contracts. Ford is building 5 new giga factories to produce batteries, with the first two, located in Kentucky and Tennessee, on track to open in 2025. Another plant, in Marshall, Michigan, will be dedicated to producing battery cells using LFP (lithium iron phosphate) technology.

With respect to the LFP facility, it helps explain one of the lithium announcements noted above, the SQM deal which supplies lithium carbonate. Lithium carbonate is required for LFP batteries versus lithium hydroxide, which is the primary component for the current generation of lithium-ion batteries. Ford now feels it has control of its value chain. Instead of relying on a cell supplier, Ford can now move material around where they need it, so If they wanted to flex more into LFP and use more lithium carbonate, no problem. If the Company wants to swing more towards hydroxide, it can also do that.

Final Thoughts

Granted this isn't original thinking as Elon Musk was the first one out of the gates lining up sources of lithium (and other critical materials) for [Tesla, Inc.](#) (Nasdaq: TSLA), and in January, [General Motors Company](#) (NYSE: GM) [signed a deal](#) with the aforementioned Lithium Americas.

Nevertheless, it seems now that virtually all North American automakers are securing supplies of battery materials to boost EV output as demand for EVs continues to grow, and to take advantage of U.S. tax credits.

It would appear automakers are entering a '[Brave New World](#)'. Which, ironically is a dystopian novel written in 1931 by Aldous Huxley, where the citizens of the World State substitute the name of (Henry) Ford, founder of the Ford Motor Company, wherever people in our own world would say Lord. We shall see if the Ford Motor Company of 2023 will become the messiah of EV production.

Danny Huh of NEO Battery on EV Industry Attention as it Revolutionizes Silicon Anode Technology

written by InvestorNews | November 13, 2023

In this InvestorIntel interview, Tracy Weslosky talks with [NEO](#)

[Battery Materials Ltd.](#)'s (TSXV: NBM | OTCQB: NBMFF) Strategy and Operations Manager Danny Huh about achieving a significant [technology milestone](#) in the nanocoating manufacturing process of silicon anodes that can increase the driving range of electric vehicles and enable ultra-fast charging.

Speaking about the high performance and cost-reduction capabilities of their uniform nanocoating technology, Danny discusses how there is an increased interest from ten companies, including global battery and electronic manufacturers and EV automakers, to use NEO Battery Materials' silicon anodes in their lithium-ion batteries.

Providing an update on its South Korean Commercial Plant construction that has completed the Request for Quote ("RFQ") process, Danny also discusses filing NEO's [6th patent](#) to Korean Intellectual Property Office for one-step nanocoating technology for silicon anodes.

Danny also talks about the recent [appointment](#) of Dr. S. G. Kim, a silicon/polymer material and chemical technology development expert, as NEO's Chief Technology Officer. Dr. Kim is the former Executive Vice President and Head of R&D of Hanwha Solutions Corporation (KSE: 009830), a multi-billion South Korean chemical manufacturing conglomerate.

To access the full InvestorIntel interview, [click here](#)

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About NEO Battery Materials Ltd.

NEO Battery Materials Ltd. is a Vancouver-based company focused on electric vehicle lithium-ion battery materials. NEO has a focus on producing silicon anode materials through its

proprietary single-step nanocoating process, which provides improvements in capacity and efficiency over lithium-ion batteries using graphite in their anode materials. The Company intends to become a silicon anode active materials supplier to the electric vehicle industry.

To learn more about NEO Battery Materials Ltd., [click here](#)

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