Government Subsidies Fuel Investment Frenzy in the Battery Gigafactory Race

written by InvestorNews | April 26, 2023

The news keeps on coming about new investments in battery gigafactories in North America as companies realize that governments are willing to throw stupid amounts of money at them in the form of grants, subsidies, and loans to make this dream come true. The leader of the pack is the U.S. Inflation Reduction Act (IRA), which was signed into law last August and offers US$369 billion of subsidies for electric vehicles and other clean technologies. The Act also incents EV makers to produce more vehicles in North America and secure the key minerals for them outside of China.

Not to be outdone, Canada is trying hard to compete with the U.S. by spending ghastly sums of taxpayers' money to bring some of that activity north of the border. Time will tell if this will be a prudent use of 'our' hard-earned dollars but in the meantime let's take a look at the latest news on the battery plant front.

Volkswagen to build its largest gigafactory in Southern Ontario

Last Friday, the Government of Canada let the 'cat out of the bag' as to how much it was willing to provide to lure Volkswagen AG (XTRA:VOW3) to Southern Ontario to build its largest gigafactory to date in St. Thomas, with an annual production capacity of up to 90 GWh in the final expansion phase. The Federal Government has agreed to provide up to C$13 billion

(US$9.7 billion) in subsidies and a C$700 million grant, which does not include any potential funds from the provincial government of Ontario.

When you realize that this plant is expected to cost about C$7 billion to build, you can see why it was a pretty easy choice for VW. I'm pretty sure I could sell management on a deal like this back in the day when I was trying to put together infrastructure projects. In the Government's defense, the numbers roughly match what Volkswagen would have received from the United States through the IRA. With that said, I'm still not convinced we should try and match what a country with 10 times our GDP is doing.

GM and Samsung to invest over US$3 billion to build a new EV battery manufacturing plant

Not to be outdone, the United States had a couple of announcements of its own to temper Canada's 'win'. Yesterday General Motors Co. (NYSE: GM) and Samsung SDI (KRX: 006400) said they will invest over US$3 billion to build a joint venture EV battery manufacturing plant in the U.S. (The companies did not identify the location of the plant.) The plant, expected to start production in 2026, aims to have an annual production capacity of 30 GWh.

This marks GM's fourth U.S. battery manufacturing facility having already done 3 joint ventures with LG Energy Solution (KRX: 373220) in the form of Ultium Cells LLC plants, including a US$2.6 billion plant in Michigan set to open in 2024. In December, the U.S. Energy Department finalized a US$2.5 billion low-cost loan to the Ultium joint venture to help finance the construction of the new manufacturing facilities which also

include Ohio and Tennessee.

Hyundai and SK On to build battery plant in Georgia

Not surprisingly, with South Korean President Yoon Suk Yeol in Washington to meet President Joe Biden this week, confirmation of another EV battery manufacturing facility joint venture was made. Although an MOU was signed last December, Hyundai Motor Company (KRX: 005380 | OTC: HYMLF) and SK On, a battery unit of SK Innovation Co. Ltd. (KRX: 096770) ratified plans yesterday to set up a battery JV in the state of Georgia, in an investment worth approximately US$5 billion.

When fully operational, Hyundai expects an annual production capacity of 35 GWh with the facility expected to begin manufacturing battery cells in the second half of 2025. These two companies appear to be embracing Georgia as their home away from South Korea given Hyundai separately broke ground in October on a US$5.54 billion electric vehicle and battery plant in Georgia's Bryan County, while SK Innovation opened a US$2.6 billion battery plant in Commerce, Georgia, in January that is producing batteries for the Ford F-150 EV.

Battery metals supply concerns

This begs the question of where are all the raw materials to build all these batteries going to come from. Perhaps all these subsidies to attract the manufacturing facilities will be for not as we see others getting in on the act. And not just any "others" but those who already control more than half of global lithium resources, and include by far and away the world's largest copper producer.

That's right, while in Toronto last month for the PDAC

Convention, Argentina's Mining Undersecretary Fernanda Avila suggested that Argentina, Chile, Bolivia, and Brazil are planning to coordinate action on turning more of the region's mined lithium into battery chemicals, as well as moving into manufacturing of batteries and even EVs.

It makes a lot of sense (at least to me) that these resource-rich nations would like to move further along the value chain by leveraging their mineral wealth into expanded processing capacity and perhaps as far as vehicle manufacturing. Chinese carmaker Chery Automobile Co. has already stated it wants to build a US$400 million EV and battery plant in Argentina in an effort to tap into the lithium triangle.

Another lithium-producing area of Argentina is in talks with China's Ganfeng Lithium Co. (SHE: 002460 | HK: 1772 | OTC: GNENF) and Gotion High-tech Co. to make battery cathodes.

Final thoughts

Will this be another case of China being a better visionary when it comes to the electric vehicle supply chain? As a taxpayer who is helping to subsidize Volkswagen's efforts, I certainly hope that isn't the case. But then again, our government doesn't exactly have a great track record of being efficient and effective stewards of capital.

Investors to decide on TESLA

as Q4 and 2022 earnings anticipated on January 25 loom

written by InvestorNews | April 26, 2023
Tesla (NASDAQ: TSLA) is a stock that polarizes an audience. People either love it or hate it. Today we look at the positives and negatives of Tesla, then we let you decide in the comments section. Is Tesla a buy, hold or sell?

Tesla's stock price (US$131.49 at the time of writing) has fallen precipitously, down ~62% over the past 1 year. The current PE ratio is ~40x, and the 2023 forward earnings PE ratio is ~27x.

With Q4, 2022 earnings due to be released next week on January 25, 2023 all eyes will be on Tesla's results.

Tesla positives

Tesla continues to grow rapidly. In 2022, Tesla's electric car deliveries grew 40% YoY to 1.31 million while production grew 47% YoY to 1.37 million. So far in 2023, Tesla China EV registrations were 12,654 for the week of January 9 to January 15, 2023 in a big jump from the week prior suggesting the recent EV price discounting may be having an impact.

Tesla's target is to grow deliveries on average by 50% per year over this decade to reach a goal of 20 million vehicles to be produced and sold in 2030.

Tesla has a history of growing earnings and revenues at a rapid rate. As of end Q3, 2022 Tesla's revenue growth rate was at 56% YoY, net income (GAAP) was up 103% YoY, and GAAP EPS was up 98% YoY. On January 25, 2023 we will see the Q4 and full year 2022 results.

Tesla's 2023 forward PE is now at a record low for the company at ~27x.

Tesla is the leading global fully-electric car seller, with a dominant market share in the USA of ~65%. The new U.S. federal clean vehicle credit of up to US$7,500 that started on January 1, 2023 may potentially boost Tesla's U.S sales of its qualifying (cheapest) vehicles, particularly as Tesla buyers were no longer receiving the previous tax credit.

Tesla is ramping up EV manufacturing at Giga Berlin and Giga Austin.

Tesla is rapidly growing its energy storage business (ramping production of a 40 GWh Megapack factory in Lathrop, California), and is now planning to expand into both cathode production and lithium refining.

Tesla has a huge backlog of orders, notably for Cybertruck claimed to be over 1.6 million orders.

Tesla's positives can be summed up as a company with rapidly growing revenues and earnings, far in excess of most S&P 500 companies. They have a cult-like following led by flamboyant CEO Elon Musk.

Tesla was the global number 1 seller of fully electric cars in 2022 – Tesla Model S shown below

Source: iStock

Tesla negatives

Tesla recently announced global price cuts of up to 20% for its range of electric cars. Many investors are concerned that this is a sign of waning demand, particularly in China.

Tesla's price cuts could negatively impact Tesla's industry leading automotive margins, last reported at 29.7% in Tesla's Q3, 2022 financials. It should be noted that the Inflation Reduction Act includes the Advanced Manufacturing Production Credit which should apply to certain products Tesla produces such as battery packs. This will be a boost to Tesla's margins and help offset Tesla's price cuts.

Tesla relies heavily on production from Gigafactory Shanghai. It was recently reported that Tesla's Shanghai Gigafactory expansion was in doubt over Starlink concerns from the Chinese government.

A forward PE of 27x assumes Tesla can continue to grow at a rapid rate and meet 2023 earnings expectations. High interest rates and a forecast 2023 recession are casting some doubts on this.

Tesla has failed to deliver on its Full Self Driving promises and timelines, despite investors paying for this service for several years.

Tesla's founder Elon Musk has been very distracted with his Twitter acquisition, not to mention he sold almost $40 billion worth of Tesla shares in 2022 to fund the acquisition. If Twitter continues to bleed cash Elon may be forced to sell more Tesla shares.

A Tesla charging outside a Tesla store in Shanghai

Shanghai.China-March 11th 2022: exterior of Tesla Shop and

electric car charging outside store. EV brand

Source: iStock

Closing remarks

Tesla has two very significant events coming soon. The first is Q4 and 2022 earnings results on January 25, 2023 and the second is Tesla 2023 Investor Day on March 1, 2023. The Investor Day will involve Tesla unveiling its much awaited Generation 3 platform. This is said to be the platform that Tesla will use for its so called Model 2 Compact vehicle, thought to be at a much reduced price to Model 3 and Model Y. It may also be the platform used for the Tesla robotaxi autonomous vehicle. Certainly, if Tesla does present a Model 2 compact vehicle under US$30,000 at Investor Day it will be a game changer for the entire auto industry, with potential orders in the millions. Or will we have to wait longer before we finally see Model 2?

So is Tesla a buy, hold, or sell?

Let us know your thoughts in the comments section below.

Power Nickel is building a nickel sulphide resource in Canada ready to potentially

supply a new EV metals supply chain

written by Tracy Weslosky | April 26, 2023

Canada as an EV metals supply and processing hub for North America

One of the biggest upcoming trends for 2023-25 is the establishment of Canada as an EV metals supply and processing hub for North America. The past few months have seen numerous announcements by battery and cathode manufacturers planning new facilities in both Quebec and Ontario, Canada. Some examples from the past 6 months include:

- BASF – Cathode active materials and recycling site acquired in Bécancour, Quebec
- GM & POSCO – Plan to build a $400 million facility to make cathode active materials in Becancour, Quebec
- "Stellantis & LG Energy to construct a $5.1 billion Ontario battery plant to begin Q2, 2022 with production slated to start in early 2024
- Avalon Advanced Materials Inc. (TSX: AVL | OTCQB: AVLNF) and Essar Group Company JV to establish Ontario's first regional lithium battery materials refinery in Thunder Bay
- Umicore plans to construct a manufacturing facility for cathode active battery materials and their precursor materials in Ontario, Canada. Construction planned to start in 2023 and operations by the end of 2025

Even Tesla appears to be strongly considering Canada for their next gigafactory.

The main reason for all this excitement towards Canada as an EV metals supply and processing hub for the U.S is that Canada has

all the EV metals and is close to USA, where permitting can be much more difficult. The Canadian government is also making great efforts to support this. It is also the case that the U.S is rushing to develop their own EV supply chain, independent of China and Russia. The Inflation Reduction Act mandates escalating battery critical minerals requirements (40% for a vehicle placed in service before 1 January 2024 rising to 80% for a vehicle placed in service after 31 December 2026) to qualify for U.S EV tax credits, with a key basis being that the battery metals will need to be sourced from North America or U.S free trade countries.

This puts Canada right in the box seat.

Power Nickel Inc.

Power Nickel Inc. (TSXV: PNPN | OTCQB: CMETF) is a Canadian junior miner with an option to acquire 80% of the NISK nickel sulphide Project in James Bay, Quebec, Canada. Power Nickel already has a solid initial NI 43-101 Compliant Mineral Resource Estimate on the NISK Project of more than 2.5 million Indicated tonnes at 1.20% NiEq. and 1.4 million Inferred tonnes at 1.29% NiEq. NISK has valuable bi-product metals such as copper, cobalt, palladium, and platinum.

Power Nickel 2022 N43-101 Resource estimate

Source: Power Nickel company presentation

Some exciting parts about the NISK Resource are: the resource is well located in Quebec, is sulphide ore (easier and cheaper to process than laterite ore), has significant expansion potential from the current total ~4 million tonnes I&I Resource, the site benefits from a major highway adjacent to it and a Hydro Quebec major substation across the road, and a nearby airport. The

local Cree Nation community are generally pro-mining. With regards to the expansion potential CEO Terry Lynch is optimistic the Company can expand the resource size towards 8-10 million tonnes and potentially larger over time. Similar geological ultra mafic style deposits in Canada include Lynn Lake (~22M tonnes) and Voisey's Bay (~50M tonnes).

The only negative, according to my experts is that some of the Resource is underground which typically is more expensive to mine.

NISK Resource model showing potential open pit and underground resource

Source: ***Power Nickel company presentation***

A second round of drilling is currently underway at the NISK Project, so investors will need to wait to see if the promising drill results can continue at NISK. CEO Terry Lynch recently stated:

"We are very excited to get back to drilling and building on our resource at Nisk. The initial round of drilling was done largely to verify the historic resource and allow us to post the inaugural NI 43-101 Technical Report and MRE. This round, based on what we've learned from the MRE study, will enable us to better explore and we hope to expand the resource as we look to demonstrate Nisk has the potential to become Canada's next Nickel Mine. The plan is to drill around 5,000 metres but will adjust that to opportunities on the ground. We would expect the drilling program to continue into December and we will provide updates as progress dictates."

With nickel currently trading at US$23,130/t and 3 month LME nickel future contracts at US$24,562/t you can see why nickel is

such a valuable metal and why Power Nickel has plenty of potential.

A growing nickel sulphide resource, easy road access, and access to abundant low-carbon hydropower, makes Power Nickel look like a potential future ESG winner to supply nickel from Canada's emerging EV metals hub.

Due to the early stage, the current market cap is only C$9 million. A very exciting early stage nickel junior and one to watch closely in the months ahead.

Disclaimer: The editor Tracy Weslosky is both a shareholder of Power Nickel and a supporter of the CEO Terry Lynch's Save Canadian Mining, which was created to stop predatory short selling. Tracy is the founder of InvestorIntel.com but she is not an investment advisor, and is neither licensed to make any buy or sell recommendations. For more information, she recommends SEDAR.com for you to do your own due diligence.

Which Metals will benefit from the EV Boom in 2022 and after?

written by InvestorNews | April 26, 2023

2021 has been a triumphant year for electric vehicle (EV) metal miner stocks. This is because EV sales are on track to grow ~100% on 2020 sales, which has led to surging demand for the EV metals lithium, cobalt, graphite, nickel, neodymium-praseodymium (NdPr), and dysprosium (Dy).

China lithium carbonate prices led the way rising from CNY

43,750 (US$6,859/t) to CNY 232,500 (US$36,452/t) in 2021, for a 5.3x gain. Cobalt prices have risen from US$14.51/lb to US$31.42/lb in 2021, for a 2.2x gain.

All of this demand for EV metals has also led to a surge in takeovers and strategic buy-ins in 2021. The Chinese have again led the charge leaving the Western world asleep at the wheel, as I discuss below.

China lithium carbonate prices have risen 5.3x so far in 2021

Source: Trading Economics

China leads the lithium takeover charge as the Western world is left asleep at the wheel

The same theme of the past several years continued in 2021. While the West talked about acting, China and even Russia acted, with China making some big moves.

Take a look at the lithium takeovers and buy-ins during 2021 summarized below.

- **Bacanora Lithium PLC** (AIM: BCN) – Taken over recently by China's Ganfeng Lithium.
- **International Lithium Corp.** (TSXV: ILC) – Mariana Project final project share buyout by China's Ganfeng Lithium.
- **Ioneer Ltd (ASX: INR)** – South Africa's Sibanye-Stillwater invested US$490 million for a 50% interest in the Rhyolite Ridge Lithium-Boron Project.
- **Millennial Lithium Corp.** (TSXV: ML | OTCQX: MLNLF) – Bidding war (Ganfeng, CATL, LAC) eventually won by Canada's Lithium Americas Corp. (TSX: LAC | NYSE: LAC) with a 100% company buyout offer for C$4.70 per share.
- **Neo Lithium Corp.** (TSXV: NLC | OTCQX: NTTHF) – 100%

company buyout by China's Zijin Mining at C$6.50 per share.

- **Arena Minerals Inc.** (TSXV: AN) – China's Ganfeng Lithium project and equity stake, Lithium Americas initially equity stake then increased equity stake.
- **North America Lithium Inc.** ("NAL") – Australia's Sayona Mining (ASX: SYA) (75%) & Piedmont Lithium Inc. (Nasdaq: PLL | ASX: PLL) (25%) acquire NAL.
- **AVZ Minerals Limited** (ASX: AVZ) – Sold 24% of the Manono lithium and tin project JV to China's Suzhou CATH Energy Technologies (jointly owned by Chinese battery maker CATL) for US240 million.
- **Global Lithium Resources** (ASX: GL1) – China's Yibin Tianyi (owned by CATL, the world's largest battery manufacturer) to invest $6.2 million for a 9.9% equity interest in Global Lithium Resources.
- **Alpha Lithium Corporation** (TSX.V: ALLI) – Russia State backed Uranium One (TSX: UUU) agrees to buy 15% of the Tollilar salar for US$30 million, option/right to buy a further 35% for US$185 million.

Of the ten mentioned above, six of the ten buyers are Chinese companies, one is Russian, one is South African, one is Canadian, and one is Australian. What is also interesting is that with the Alpha Lithium Tolillar salar deal the buyer is a Russian 'state backed' company with significant plans to acquire more global lithium assets.

2022 will see Tesla dramatically ramp up production and require significantly more EV metals

In 2022 Tesla is likely to exceed 1.5 million electric car sales, up from around what should be about 900,000 in 2021 (a 2/3rds production increase estimate for 2022). Tesla has their Texas gigafactory and their Berlin gigafactory about to open and

officially start production, will be expanding giga Shanghai, and will see huge sales of Model Y, some Tesla Semis, and finally the start of production of their Cybertruck in late 2022. All of this will require a dramatic increase in EV metals demand from Tesla in 2022, potentially about a 66% increase based only on the 2/3rds increase in production forecast.

Chinese EV companies such as leader BYD Co with their own huge expansion plans, look set to chase Tesla again in 2022. They will also require significant additional volumes of lithium in 2022.

Global electric car sales look set to rise from 3.24 million in 2020 to exceed 6 million in 2021. My forecast for 2022 is 10 million.

Tesla is set for a huge increase in production in 2022 (Texas gigafactory as of August 31, 2021, set to open very soon)

Source: iStockphoto

Closing remarks

2021 saw the world wake up to the fact that electric vehicles are taking off and will largely replace conventional cars this decade, at least in most parts of the world. The ~100% surge in electric car sales during 2021 has caused an immediate impact on the EV metals supply chain, with a resulting huge 5.3x price increase in lithium, and large increases also in cobalt, nickel and NdPr prices. Graphite looks likely to follow next.

Meanwhile, the Chinese pounced yet again, buying up or into 6 of the 10 major lithium acquisitions in 2021. The other four were made up with one each from Russia, South Africa, Canada, and Australia. Sadly again the Americans were absent!

Will 2022, under Biden's lead, finally see the US awaken. I think it is possible, after all Tesla is massively ramping up their production in 2022.

I hope 2022 will be the year the US wakes up and starts to secure their EV metals supply chain. Because if they don't, the Chinese will continue to dominate EV supply chains globally leaving the US auto industry at their mercy.

Global Energy Metals working to develop a domestic American critical battery metals' supply chain

written by InvestorNews | April 26, 2023

2021 is a landmark year for electric vehicles (EVs). Sales of EVs are on track to double 2020 levels and reach about 6 million+ (up from 3.1 million in 2020), around 7% market share. Electric car sales could potentially increase as much as 10x this decade (limited only by critical EV metals availability), meaning we are still only at the beginning of the EV boom. Just last month, in September, China's electric car sales reached 355,000, or 20% market share, with YoY sales up 2.7x. Europe has been achieving an even higher market share with recent results at 22% share.

Surging EV demand is leading to very strong demand for the critical EV/battery metals, causing a dramatic price increase

for those critical EV metals, most notably, for lithium, where prices have risen from lows of ~US$7,000/t to ~US$26,000/t (US$26/kg) in 2021.

Looking ahead this decade forecasts for critical EV metals demand give a guide of what may be yet to come. The Bloomberg forecast below is based 'only' on the increase in 'battery demand', not the overall market demand.

BloombergNEF demand forecasts 2018 to 2030 for battery metals

Source: GEMC courtesy BloombergNEF

When looking at overall market demand for the critical EV metals, those with the smallest market have by far the biggest impact, such as cobalt and lithium. For example, the UBS forecast sees "lithium demand to lift 11-fold from ~400kt in 2021 through to 2030", which is in line with my own 10x forecast. Many forecasts are for about a 2-3x increase in cobalt demand this decade.

The 2021 International Energy Agency ("IEA") forecast is for a 6x to 21x increase in cobalt demand from 2020 to 2040. For nickel the IEA forecast is a 7x to 19x increase and for copper a 2x to 3x, from 2020 to 2040.

With all this potential critical EV metals demand ahead, investors are searching for well-valued EV critical metals' miners for exposure to critical EV metals and ideally in a safe jurisdiction.

One standout junior miner has a pipeline of 6 EV critical metal projects (including a royalty deal not yet completed), all located in safe countries.

The company is Global Energy Metals Corporation (TSXV: GEMC | OTCQB: GBLEF) ("GEMC"). GEMC has a total of 6 combined battery and precious metals projects (subject to deals finalizing) in Australia, the USA, Canada, and Norway; covering cobalt, copper, nickel, PGMs, silver and gold. GEMC works as a project generator and works with some JV project partners.

GEMC's pipeline of projects in safe jurisdictions

Source: GEMC company presentation

Note: Recent drill results, as reported by project JV partner (earn-in up to 80%), Metal Bank Limited, at its Millennium Cobalt Project in Australia, have identified significant shallow oxide copper intercepts as sulphides to 1.5%.

I discussed these 6 projects in a previous article, so today I will touch on some of GEMC's other related investments and collaborations.

GEMC collaboration with American Battery Technology Company ("ABTC") (name change in process from American Battery Metals Corp.)

ABTC is an American-owned lithium-ion battery recycling technology and advanced battery metal extraction company with mineral resources in Nevada. **GEMC has a collaboration with ABTC to develop solutions to manufacture nickel and cobalt battery metals domestically** in addition to its existing work on domestic lithium product manufacturing. On October 18, GEMC announced that drilling has commenced at the Lovelock Cobalt-Nickel-Copper project in Nevada, USA. GEMC recently supplied raw material from its Lovelock and Treasure Box projects in Nevada for ABTC's to use in its in-house procedures of developing new, first-of-kind

processes, for producing battery cathode grade nickel and cobalt metal products.

Tesla's gigafactory is in Nevada, so that the above collaboration is very well located. It is essentially on Tesla's doorstep.

President & CEO of Global Energy Metals Corp., Mitchell Smith, stated:

"The combination of ABTC's leading-edge extraction technology development processes with Global Energy's portfolio of nickel and cobalt projects creates mutually beneficial opportunities that could bolster and secure a much needed supply of minerals deemed "critical" by the Canadian and US governments."

ABTC's CEO and CTO, Ryan Melsert, stated:

"Our partnership between American Battery Technology Company and Global Energy Metals Corporation represents a complementary and actionable effort towards establishing a North American supply of critical and strategic materials that will fuel the global transition towards an electrified and domestic closed-loop circular economy."

GEMC's Råna Project 1% NSR royalty in Norway

GEMC recently signed a Letter of Intent ("LOI") to purchase a 1% NSR, Net Smelter Royalty,on the Råna (Nickel) Project. The LOI is between Electric Royalties Ltd. and Scandinavian Resource Holdings to create a new 1% Net Smelter Royalty ("NSR") on four exploration licenses totaling 25 square kilometers in the Råna mafic-ultramafic intrusion in Northern Norway, and it includes the past producing Bruvann Nickel mine (the "Råna Project").

The Råna Project is a drill-ready, low CapEx, Class-1 nickel sulphide project with strong exploration upside. Global Energy

Metals intends to work alongside the Vendor, to attract strategic partners to fund project development at the Råna Nickel Project while leveraging its interest to create shareholder value through exploration success.

If the Project is successfully brought into production then GEMC potentially stands to earn a nice 1% NSR revenue stream.

GEMC's 3 pillar growth strategy – Acquisitions, exploration & development, peer collaboration

Source: GEMC company presentation

Closing remarks

GEMC has 6 EV metal related projects with a focus on cobalt, copper and nickel. GEMC is also now collaborating with ABTC to help build a U.S battery metals supply chain, initially using ore from GEMC's Lovelock and Treasure Box projects in Nevada, and drilling at Lovelock is currently underway.

GEMC trades on a super low market cap of C$6.7 million. Stay tuned.

Disclosure: The author is long Global Energy Metals Corporation (TSXV: GEMC).

Battery metals influencer

Mitchell Smith on lithium-ion batteries, Tesla's GigaFactory and GEMC

written by InvestorNews | April 26, 2023

In a recent InvestorIntel interview, Peter Clausi speaks with Mitchell Smith, President, CEO and Director of Global Energy Metals Corp. (TSXV: GEMC | OTCQB: GBLEF) ('GEMC'), about the acquisition of an 85% interest in the Lovelock Mine and Treasure Box Projects located on the doorstep of the world's largest lithium-ion battery production plant, the Gigafactory One that Tesla Motors Ltd. and partner Panasonic Corp. have built in Nevada, USA.

In this InvestorIntel interview, which may also be viewed on YouTube (click here to subscribe to the InvestorIntel Channel), Mitchell started by saying that the COVID-19 pandemic "has highlighted the importance to regionalize supply and localization of new supply chain of critical minerals." Mitchell, who was recently ranked as one of the top influencers in the battery minerals sector, continued by saying that the projects have very high grades of nickel, cobalt and copper deposit and **have historically produced materials grading 14% cobalt and 12% nickel**. He added, "because of fragmented ownership the projects were never explored using modern technique."

To watch the full interview, click here

Global Energy Metals Corp.

Global Energy Metals is focused on offering investment exposure to the raw materials deemed critical for the growing

rechargeable battery market, by building a diversified global portfolio of battery mineral assets including project stakes and sector specific equity positions. GEMC anticipates growing its business through the acquisition and development of battery mineral projects alongside key strategic partners. The Company holds 100% of the Millennium Cobalt Project and two neighbouring discovery stage exploration-stage cobalt assets in Mount Isa, Australia positioning it as a leading cobalt-copper explorer and developer in the famed mining district in Queensland, Australia. The Company has acquired 85% interest in two battery mineral projects, the Lovelock Cobalt Mine and Treasure Box Project. Additionally, the Company holds a 70% interest in the past-producing Werner Lake Cobalt Mine project in Ontario, Canada.

To learn more about Global Energy Metals Corp., click here

Disclaimer: *Global Energy Metals Corp. is an advertorial member of InvestorIntel Corp.*

Focused on feeding the EV boom with battery metals, Global Energy Metals understands the value of their Nevada location

written by InvestorNews | April 26, 2023

Without doubt one of the biggest disruptions this decade will be the rapid move to electric vehicles (EV). As reported here, UBS recently forecasted US$100kWh batteries by 2022, EV/ICE

(Internal Combustion Engine) parity by 2024 and that “there are not many reasons left to buy an ICE car after 2025”. Three of the key metals in demand to feed the EV boom will be cobalt, nickel, and copper. Today I discuss a company that has all three as well as some gold potential. The Company still has a very low market cap and has 3 combined projects in safe countries. These include a recently purchased project (Lovelock Mine & Treasure Box) in Nevada only 150 kilometers from Tesla’s gigafactory.

That company is Global Energy Metals Corp. (TSXV: GEMC | OTCQB: GBLEF) (‘GEMC’). Their focus is to build a portfolio of battery metal assets across key locations such as the USA, Canada, and Australia.

GEMC’s 3 projects are:

- Lovelock Mine & Treasure Box Projects – Nevada, USA (85%)
- Werner Lake Cobalt Project – Ontario, Canada (70%)
- Millennium Cobalt Project (flagship) and Mount Isa Cobalt-Copper-Gold Projects – Queensland, Australia (100%)

GEMC’s 3 combined battery metal projects – USA (Lovelock Mine & Treasure Box), Canada (Werner Lake), and Australia (Millennium & Mount Isa)

Source

The Lovelock Mine & Treasure Box Projects in Nevada USA (85%)

In a very exciting and strategic move recently announced, GEMC has issued shares and made a cash payment as consideration for its acquisition of an 85% interest in the Lovelock Mine and Treasure Box Projects. The properties will be held in GEMC’s newly established U.S. Battery Metals Corp., a new U.S. listed vehicle and wholly owned subsidiary of GEMC.

The Lovelock Mine and property consists of approximately 1,400 acres (567 hectares) in the Stillwater Range of Nevada, USA. It was discovered by George Lovelock and Charles Bell in about 1880 and saw limited production of nickel, copper and cobalt beginning in 1883. GEMC reported that **"the general average of the 200 tons shipped in 1886 averaged 14% cobalt and 12% nickel"**, which is extremely high grades. After intermittent production no further production from the Lovelock Mine is known for well over a century. Several of the rock samples collected in 2017 showed strong enrichment in cobalt, nickel and copper.

The Treasure Box Project hosts mine workings from limited copper production, which occurred until early into the 20th century. A reverse circulation hole drilled on the Treasure Box in 1976 returned 1.55% copper over 12.2 metres from a depth of 25.9 to 38.1 metres.

Both projects are at the very early stage but appear to have good exploration potential based on their history. A bonus is their location in mining friendly Nevada, USA, and just 150 kilometers from the Tesla Gigafactory.

The Lovelock Mine & Treasure Box Projects are located effectively on the doorstep of Tesla's Gigafactory in Nevada just 150kms away

Source

Werner Lake Cobalt Project in Ontario, Canada (70%)

The Werner Lake Cobalt Project has an Updated NI 43-101 (2018) Indicated Mineral Resource of 79,400 tonnes at 0.43% Co not including the 2018 drill program. This is an excellent grade for a western located project. There is also exploration potential

for copper and gold.

Millennium Cobalt Project and Mount Isa Cobalt-Copper-Gold Projects – Queensland, Australia (100%)

The Millennium Project is a significant cobalt-copper deposit which remains open for further expansion. There is a historical JORC (2012) Inferred Resource estimate which showed grades of 0.14% Co, 0.35% Cu and 0.12g/t Au (using CuEq cutoff of 1.0%). This historical resource estimate is not yet NI43-101 compliant. GEMC intends to upgrade this resource to a current NI43-101 complaint resource.

The Mount Isa Projects include Mount Dorothy and Cobalt Ridge. Early stage drilling results included 7m @ 0.14% Co, 2.55% Cu, and 2m @ 0.12% Co, 0.13% Cu at Mount Dorothy, and exploration rock chip sampling results of 0.31% Co, 3.63% Cu, 1.25g/t Au at Cobalt Ridge.

Closing remarks

GEMC has a current market cap of just C$2.8m. Perhaps the reason the market cap is so low is that the company has had to endure the past 2.5 year cobalt bear market, and has only recently made the USA acquisition.

Recently, companies with USA EV metal assets have done very well as we saw with Piedmont Lithium, Lithium Americas, Westwater Resources, and many others. For investors that are positive on the outlook for EVs and the key EV metals (cobalt, copper, nickel) then GEMC should definitely be on your radar. Plus there is always the chance of GEMC finding gold.