

Chile's Plan to Nationalize its Lithium Industry Could Impact These 5 Companies

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In a television address on Thursday evening, Chile's president Gabriel Boric announced plans to nationalize the country's lithium industry, with massive implications for the booming lithium industry.

The left-wing former student leader set out his government's strategy for developing the huge lithium resources, including the creation of a state-owned National Lithium Company to lead the sector and partner with companies to develop the lithium projects but with state control.

The prospect of state intervention in natural resources would normally send investors running for the exit. Could this time be different? Under Cold War-era rules, lithium production in Chile is strictly controlled with only two companies, Albemarle (NYSE: ALB) and SQM (NYSE: SQM), entering production in the last four decades.

To break the deadlock, the National Lithium Company would be empowered to form joint ventures with private investors to develop lithium production in the salt flats that dot the Andean Mountains.

State-owned copper producer Codelco, one of the largest copper producers in the world, will lead the transition until the new National Lithium Company can be set up. President Boric's plan still needs to be approved by Chile's National Congress which is expected to be debated later this year.

This announcement follows Mexico's [legislation last year](#) to ban private and non-Mexican lithium mining and processing activities and restrict all future projects to state-run companies, and the [recent discussions](#) amongst leaders in Argentina, Chile, Bolivia, and Brazil to form an OPEC-like cartel for the lithium industry.

According to the USGS, Chile was the second largest lithium producer in 2022, behind Australia, with China third, Argentina a distant fourth, and Brazil fifth. Chile has the largest lithium reserves, while Bolivia and Argentina have the largest overall resources.

Here are some of the firms operating in Chile that could be impacted:

[Albemarle Corporation](#) (NYSE: ALB)

- ALB is a global leader in engineered specialty chemicals. The company produces lithium, bromine, and catalysts for various industries, such as electric vehicles, flame retardants, and oil refining.
- The company has operations in Chile, where it extracts lithium from brine deposits in the Salar de Atacama, and an existing joint venture with Codelco to explore and develop new lithium resources in the country.
- ALB has a market capitalization of over US\$24 billion and employs about 5,600 people and serves customers in 100 countries.

[CleanTech Lithium Plc](#) (AIM: CTL)

- CLT owns claims on three Chilean salt flats, the largest of which – Laguna Verde – is estimated to contain 1.5 million tonnes of lithium carbonate equivalent (“LCE”).

- Using Direct Lithium Extraction technology, which avoids the need for large and wasteful evaporation pools, the company plans to build an operation that could produce around 20,000 tonnes annually LCE by 2025.
- CLT has a market capitalization of approximately £60 million.

Lithium Power International Limited (ASX: LPI)

- LPI controls one of the most advanced private lithium projects in Chile. With an environmental license and export permits already in place, it is already in talks with financiers to fund its US\$626 million Blanco project on the Salar de Maricunga which could produce around 20,000 million tonnes annually of lithium carbonate over 15 years.
- The company now expects the government to name the project as the country's newest lithium project through a partnership with the state.
- Its market capitalization is approximately A\$167 million.

Sociedad Química y Minera de Chile S.A. (“SQM”) (NYSE: SQM)

- SQM is today the world's largest producer of lithium and ramped up production from the claims it rents on the Salar de Atacama to keep up with booming demand. But it has said future investments are conditional on reaching a new agreement with economic development agency CORFO, which owns the claims, on its rental contract which expires in 2030. So far, these talks have got nowhere.

- But investment bank JP Morgan thinks the announcement of a new policy could be positive for the firm by facilitating a new deal with CORFO while the creation of the new national lithium company, which requires the approval of Congress where the government lacks a majority, could take several years.
- SQM has a market capitalization of over US\$22 billion and employs about 7,000 people in 110 countries.

Wealth Minerals Ltd. (TSXV: WML)

- WML owns mineral claims on the southern part of the Salar de Atacama which today accounts for around a third of global lithium production and 15% of known lithium reserves.
- The salt flat boasts lithium grades of more than 1,800 micrograms per liter ("mg/l"), compared to 1,250 mg/l and just 740 mg/l in Salar de Hombre Muerto in northwest Argentina where Livent Corporation (NYSE: LTHM) operates its main lithium operation.
- WML has a market capitalization of approximately C\$110 million.

Figure 1: South America's Lithium Triangle



Source: eResearch Corp.

Lithium Prices Soar as Demand Surges Amid EV Boom, But Is the Bull Run Sustainable?

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Most commodities are cyclical in nature. The ebb and flow of demand, potentially from a new application or general growth,

which in turn makes the supply of that commodity scarce can cause prices to rise, sometimes dramatically. This is followed by a supply response that typically is too effective (because everyone wants to partake in the high commodity price) and eventually, the demand is outstripped by supply, commodity prices in turn fall or outright collapse and the cycle repeats.

In the case of lithium, we've been seeing demand surge as the electric vehicle (EV) revolution accelerates while the ever-increasing supply is failing to keep pace. There are lithium headlines in the news all the time now, with the likes of [General Motors Co.](#) (NYSE: GM) and [Tesla, Inc.](#) (NASDAQ: TSLA) inking supply deals with producers or the speculation of deals. It would appear we are in the heart of a bull market for lithium....or are we?

Lithium Boom – 1950s

This isn't the first lithium boom the world has seen. You may be surprised to learn that the first one began in the 1950s when the world's primary source of lithium came from North Carolina. Lithium was extracted from spodumene (hard rock) and was a key component of the military's H-bomb program. As a reference point, by the mid-1970s U.S. lithium production was roughly 2,900 tons per year. (1 US ton = 0.97 metric tonne)

Lithium Boom – 1990s

Lithium's next rally occurred in the early 1990s when Sony first began production of the lithium-ion battery used in consumer electronics. By the end of 1991, Sony had ramped up production to 100,000 batteries a month. Enter Sociedad Química y Minera de Chile S.A., or SQM, the Chilean fertilizer and mining company which began selling lithium (from brine) in late 1996, almost

immediately lithium carbonate prices fell by a third, to US\$2,000 a ton. This marked the end of the existing American lithium industry.

Current Lithium Production By Country (2021)

Rank	Country	2021 Production (tonnes)	% of Total
#1	Australia 🇦🇺	55,416	52%
#2	Chile 🇨🇱	26,000	25%
#3	China 🇨🇳	14,000	13%
#4	Argentina 🇦🇷	5,967	6%
#5	Brazil 🇧🇷	1,500	1%
#6	Zimbabwe 🇿🇼	1,200	1%
#7	Portugal 🇵🇹	900	1%
#8	United States 🇺🇸	900	1%
	Rest of World 🌐	102	0.1%
	Total	105,984	100%

Source: [World Economic Forum](#)

Lithium Boom – Today!

Fast forward to today and in November we saw lithium prices surge above US\$80,000/tonne in a sign that supply was definitely not keeping pace with the huge increase in demand sparked by EVs. You have wildly [bullish forecasts](#) suggesting supply needs to grow somewhere between 150,000 to 200,000 tonnes every single year.

For more perspective, consider that Tesla is targeting the manufacture of 20 million EVs per year by 2030. In order to produce those vehicles in a year, Tesla will need more lithium than was produced in the world last year, which could explain

why the market was all excited when [Bloomberg reported](#) Tesla has been discussing a possible bid for [Sigma Lithium Corporation](#) (TSXV: SGML | NASDAQ: SGML).

And speaking of Sigma Lithium, have a look at their 2 year chart!



Source: [StockCharts.com](#)

Investors should be very happy with a 10x move in just under 2 years. There have also been some pretty good runs for some of the Canadian hard rock lithium names. A quick look at the one-year chart for Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF) and Patriot Battery Metals (TSXV: PMET | OTCQX: PMETF) and you'll see a double and another 10 bagger. It suggests that we may not be in the early innings of this game.

When all this starts to become prevalent in the news cycle, I start to get a little concerned. It's almost like fanatic optimism is a harbinger that the cycle is about to end. I know that isn't very scientific, but let's look a little closer at what I'm getting at. Capital solves problems. With the lithium price at current levels, lithium mines are some of the most profitable in the whole mining sector. One could surmise that

supply might respond more rapidly than currently forecast with lots of capital being thrown at exploration and development at present. I wouldn't be surprised if Investment Bankers are cold-calling anyone involved with lithium right now to see if they would like to raise capital. On top of that, when you have the likes of Tesla, GM, etc. buying into producers it tends to stretch valuations beyond anything that would otherwise seem reasonable. M&A, especially by companies not actually in the mining business, can often be considered a sign that we are getting close to a top. Again, not scientific by any stretch of the imagination but it also typically isn't sustainable behaviour.

Is this a Market Top?

I'm not suggesting lithium is going back to US\$2,000/ton but we have seen the price retreat to just over US\$60,000/tonne largely due to the Chinese market seeing lower subsidies for electrified vehicles and weak consumer confidence. With that said, lithium is still worth eight times more than it was before 2021 and still wildly profitable for both hard rock and brine producers. Is this a sign that the current bull run for lithium prices is over or just taking a breather before it settles into a new price range or perhaps starts to climb again? I guess it depends on your time frame. Traders may want to look at taking a little profit off the table for now, long term buy and hold investors may not even be paying attention to the day-to-day noise in the market and be comfortable holding lithium equities for the foreseeable future.

My caution to anyone wildly bullish on lithium prices and the corresponding mining companies is this – there are a lot of smart capitalists out there and if a component becomes the most expensive part of your product, a lot of effort will be spent to

try and find a replacement or an alternative. I also have a nagging concern that at some point in time, the rapid adoption of EVs may overwhelm the electric grid and put a hard stop to EV growth (at least temporarily). Either of these scenarios could have a sudden and very negative impact on lithium prices but not likely in the near future. So when it comes to investing in lithium, make sure your risk tolerance matches your investment exposure.

Economy of Scale – A Misused Metric in Mining

written by Jack Lifton | April 21, 2023

I was surprised earlier this week to see an article in the Wall Street Journal in which the rule of “economy of scale” was mistakenly used with regard to the output of a mine to predict that the price of lithium would fall as mine output increased. The author did not seem to understand, and his quoted “experts” didn’t seem to care, that mines are not organic, they don’t continuously renew their ore bodies, nor are concentrations of hard rock minerals uniform, so that such mines have limited useful lifetimes. The concentrations of the minerals first sought out for extraction are always the highest in the deposit, so that as the extraction of the ore continues lower and lower grades are encountered until it becomes uneconomical, at the price then realized for the ore, to continue “mining” it. Economic assessments of the value of the mine describe this metric as the “life of the mine.” The enormous cost of setting up a mining and beneficiating (concentrating) operation assumes

that it is unlikely that some new and more economical method of beneficiation will be discovered, and be experimented upon and proven effective, during the life of a mine, so that the life of the mine could be extended economically by enabling the economically effective processing of lower grade ores. Mines are designed with "best practices" at the time of the construction. It is not assumed that new technologies will be discovered during the life of the mine that will extend its life.

Yet, on the 23rd of January, the following sentence appeared in an article about the future supply and price of lithium: "Increasing production, which typically has the effect of reducing unit costs through economies of scale, will likely be the primary source of growth in the industry this year."

Mine production decisions will of course be dependent upon the price of the mineral being mined. Gold mines are typically opened and shut down and then reopened, for example, by the price of gold dropping to less than the cost of extracting it and then bouncing back. Note well that gold is often mined in grades of just a few parts per million, because its value is as much as \$2,000.00/oz or more than \$60/gram.

Lithium, today, is produced from two types of "deposits." One, is hard rock minerals, the best known of which is spodumene and the largest deposits of which are in Australia. The other is from brines typically found in deserts, which may range in "grade" from the 3000+ grams per ton in the vast brine deposits of Chile to, more typically, 300-1000 grams/ton in the more typical desert brines of Chile, Argentina, and Bolivia.

Most of the lithium produced today comes from spodumene mining in Australia. The golden triangle of South American nations contribute less than 40% from their brines due to the enormous costs and time required to dry and process the brine to recover

the lithium.

One may ask why are brines, in particular the vast ones in Chile, which have uniform concentration not dominant in the production of lithium. The answer, always, is cost including the cost of time. The brines must be evaporated in order to bring the lithium concentration to 20,000 parts per million (2 percent), at which concentration they can be processed to selectively recover the lithium. The Wall Street Journal writer would probably ask why not just increase production to lower costs? The answer here is cost, and the cost involved is that of time. It takes 18 months for the brine to be evaporated in the sun (the amounts necessary are simply too vast, one million tons of water must be evaporated to produce 3,000 tons of lithium in Chile's Atacama Desert, for example, to even consider pumping the brines to fossil fuel heated tanks. Note, by contrast, that the production of one million tons of spodumene can recover 60,000 tons of lithium. But again that is an energy and reagent (sulphuric acid at high pressure and temperature) intensive operation, so it is very costly.

I have been told, privately, by the CEO of a large brine operation that his judgement is that lithium production may double by 2025, but that even holding that level of production, economically, depends entirely on the market price of lithium and the price of energy, so that the very high prices of today, a response to the law of supply and demand caused by the lithium industry's inability to keep up with the surging demand for EV and stationary storage batteries, are, as always, the driver of supply. Should the price of lithium drop as precipitously as it has risen, or if the cost of energy rises too much, that part of the lithium supply dependent on high prices will close (at least in the capitalist "free market" economies).

Economy of scale does not apply here. It is an inapplicable

metric in mining. Miners always want the prices of minerals to rise, not decline!

With lithium demand skyrocketing here are 5 early-stage lithium junior miners to watch

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With lithium demand projected to increase [10-11](#) fold this decade, there is a huge opportunity for successful lithium junior miners to prosper. Last year Rio Tinto was [quoted as saying](#) that “filling the supply gap will require over 60 Jadar projects”.

Then just last month Tesla CEO Elon Musk said (Tesla Q1 2022 earnings call [transcript](#)): “...can more people please get into the lithium business? Do you like minting money? Well, the lithium business is for you...” Musk also [said on Twitter](#): “Price of lithium has gone to insane levels! Tesla might actually have to get into the mining & refining directly at scale unless costs improve.”

Of course, industry experts have been warning of EV metals supply deficits for some years, but it appears these warnings mostly fell on deaf ears. With this background in mind, today we take a look at some early-stage lithium junior companies with the potential to help fill the lithium supply gap in the second

half of this decade.

China lithium carbonate spot prices – up about 6x over the past year due to lithium shortages



Source: [Trading Economics](#)

5 early-stage lithium junior miners to watch out for in 2022 (in no particular order)

1. Essential Metals Limited (ASX: ESS)
2. Green Technology Metals Limited (ASX: GT1)
3. Metals Australia Ltd. (ASX: MLS)
4. Lithium South Development Corporation (TSXV: LIS | OTCQB: LISMF)
5. Winsome Resources Limited (ASX: WR1)

Essential Metals Limited (ASX: ESS)

Essential Metals is an Australian exploration company with 9 projects (lithium, gold, gold JV, and nickel JV) all in Western Australia (WA). Three of the projects are 100% owned and 6 are JV's with other companies, with ESS retaining a 20-30% interest (see below).

Essential Metal's flagship project is their 100% owned [Pioneer Dome Lithium Project](#) in WA. The Project is located in a known lithium corridor and the gold-rich Eastern Goldfields region of WA, which contains the Mt Marion, Bald Hill and Buldania lithium mines/projects. The Project has a reasonable sized JORC compliant [Total Resource of 11.2Mt at 1.21% Li2O](#), still with exploration upside. The Resource starts from or near surface. Drill assay results from the recent campaign are due out by the

[end of May 2022](#).

Essential Metals also has two other 100% owned gold projects in WA, namely the [Golden Ridge Project](#) (100% owned), 20kms from the Kalgoorlie super pit and the [Juglah Dome Project](#), 60km east-southeast of Kalgoorlie. In addition, the Company has numerous JV projects including [Acra Gold Project JV](#) (25% interest), [Kangan Gold Project JV](#) (30%), [Balagundi Gold Project Farmin/JV](#) (25%), [Larkinville Gold Project Farmin/JV](#) (25% gold interest) (hosts a JORC Resource of 19,700 t @ 3.02 g/t for 11,600 oz. Au), [Blair-Golden Ridge Nickel Farmin/JV](#) (25% nickel interest) and [Wattle Dam Nickel Joint Venture](#) (20% nickel interest).

Essential Metals trades on a market cap of [A\\$162 million](#).

Essential Metals summary showing the Pioneer Dome Lithium Project location near other successful lithium mines and projects in WA



Source: [Essential Metals company presentation](#)

[Green Technology Metals Limited](#) (ASX: GT1)

Green Technology Metals (GT1) has multiple lithium projects (options to acquire, some at 80% interest others at 100% interest) spread over [39,982](#) hectares in Ontario, Canada. GT1's most advanced project is the Seymour Lithium Project with a JORC Total Mineral Resource of [4.8Mt @ 1.25%](#). Within the Seymour Project, drill results include an impressive [40m @ 1.54% Li2O](#). When combining all GT1's Ontario Lithium Projects the target resource is 50-60 MT @ 0.8-1.5% Li2O.

An updated resource estimate is targeted for Q2, 2022. Management is top tier and highly experienced.

Green Technology Metals trades on a market cap of [A\\$212 million](#).

GT1's portfolio of multiple lithium projects in Ontario Canada



Source: [GT1 website](#)

[Metals Australia Ltd.](#) (ASX: MLS)

Metals Australia is an Australian junior miner with several projects. Their most advanced project is the [Lac Rainy Nord Graphite Project](#) in Quebec, Canada with an Indicated and Inferred Resource of [13.3Mt at 11.5% TGC for 1.529M tonnes of contained graphite](#).

With regards to lithium, Metals Australia 100% owns the promising Manindi Lithium and Zinc Project in WA. The Project has several lithium-cesium-tantalum (LCT) pegmatites spread over a total [3km strike length](#). Individual pegmatites have strike lengths of over 300m and widths of up to 25-30m. Past drilling includes intersections of [15m @ 1.2% Li2O, 117 Ta2O5 from 34m](#). Drilling is ongoing notably at the Foundation pegmatite where consistently high grade lithium grab samples ([1% Li2O and >0.4% Rb](#)) have been detected over the entire 500m strike length. Assay results are expected shortly. Manindi also has an existing JORC 2012 Resource estimate of [1.08Mt at 6.52% Zn, 0.26% Cu and 3.19g/t Ag](#).

Metals Australia trades on a market cap of [A\\$54 million](#).

[Lithium South Development Corporation](#) (TSXV: LIS | OTCQB: LISMF)

Lithium South Development Corporation (Lithium South) is already quite advanced at their 100% owned Hombre Muerto North Lithium Brine Project in Argentina. The Project lies near several billion-dollar projects such as Livent's lithium mine, Allkem's

Sal de Vida project, and POSCO's quite new project purchased for US\$280 million. Hombre Muerto is the premiere salar in Argentina, known for very high grade lithium and very low impurities.

The Hombre Muerto North Project has an [M&I Resource of 571,000t contained LCE](#), with an excellent grade of 756mg/L, and a very low Mg/Li ratio of 2.6:1. [Drilling is about to begin](#) at their Alba Sabrina claim with results to follow most likely later in Q2, 2022. The Resource has potential to grow significantly from here.

Lithium South trades on a market cap of only [C\\$68 million](#).

[Winsome Resources Limited](#) (ASX: WR1)

Winsome Resources is a lithium explorer focused on their 4, 100% owned, projects spread over [50,000 Ha](#) in Quebec, Canada. The Projects are Cancet, Adina, Sirmac-Clappier, and Decelles (option to acquire 100%).

The flagship Cancet Lithium Project has had outstanding previous drilling success and boasts a JORC [Exploration Target of 15-25Mt @ 1-2% Li₂O + 100-250ppm Ta₂O₅](#). The past drilling includes 59 holes for 5,216m averaging ~70m drill depth defining a shallow high-grade lithium deposit. Drilling will continue in 2022 with a substantial maiden Resource estimated expected later this year.

Winsome Resources trades on a market cap of [A\\$66 million](#).

Summary of Winsome Resources 4 lithium projects in Quebec, Canada



Source: [Winsome Resources company presentation](#)

Closing remarks

Investing in early-stage lithium juniors carries higher risk and reward.

Of the 5 companies discussed in this article three (Essential Metals, Green Technology Metals, Lithium South Development Corp.) already have a lithium resource, one (Winsome Resources) has defined a lithium deposit with a resource estimate due later in 2022, and the other (Metals Australia) has a graphite and a zinc-copper-silver resource with an exciting lithium project with drill results out soon.

I could also include [Avalon Advanced Materials Inc.](#) (TSX: AVL | OTCQB: AVLNF) in this group, but I already wrote on them recently [here](#), discussing their lithium projects, lithium resource, and plans for a JV lithium refinery in Thunder Bay which were given a huge boost recently as you can read [here](#).

Finally to answer Elon's question: "Can more people please get into the lithium business?" The problem is it takes at least 5-10 years to build a lithium mine from scratch. I will finish with two key quotes last month from lithium market experts:

- Benchmark Mineral Intelligence [was quoted stating](#): *"Battery capacity is currently growing at twice the speed of lithium raw material supply."*
- Mr. Lithium, Joe Lowry [was quoted stating](#): *"I believe there will be a day in the future when lithium is in oversupply, but it won't be in this decade....You can build a battery factory in two years, but it takes up to a decade to bring on a lithium project."*

Disclosure: The author is long ALL the lithium companies mentioned in this article and intends to hold long term.

Top 5 lithium junior mines with huge potential in a booming lithium market

written by InvestorNews | April 21, 2023

The lithium sector has been the standout of all sectors in 2021, led by lithium prices surging higher from about US\$7,000/t to around [US\\$30,000/t](#) in 2021. Ordinarily, you could expect prices to fall back to earth, but in this case, lithium demand is so strong that prices are unlikely to fall back anytime soon.

Bloomberg recently [stated](#): “EVs have lithium booming – and this time, there is no bust in sight. Demand is expected to outstrip metal production for at least the next five years with few new mining projects on the horizon.”

Benchmark Mineral Intelligence recently [stated](#): “Right now lithium demand is growing at three times the speed of lithium supply.”

Furthermore, a November 2020 [UBS forecast](#) is for “lithium demand to lift **11-fold** from ~400kt in 2021 through to 2030.”

Lithium carbonate price graph showing the extraordinary 2021 price gains



Source: [Fastmarkets](#)

Given the above information, it makes very good sense to invest

in the potential next tier of lithium miners. Added to this is the trend towards increasing market share of lithium iron phosphate (“LFP”) batteries, which will lead to greater demand for lithium carbonate, best sourced from lithium brine. Right now Argentina offers the best exposure to emerging lithium brine miners.

Top 5 lithium junior miners (in alphabetical order)

1. Alpha Lithium Corporation (TSXV: ALLI)
2. Arena Minerals Inc. (TSXV: AN)
3. Argosy Minerals Limited (ASX: AGY)
4. Galan Lithium Ltd. (ASX: GLN)
5. Lithium South Development Corporation (TSXV: LIS | OTCQB: LISMF)

Alpha Lithium Corporation

Alpha Lithium (Alpha) 100% own 27,500 hectares of the Tolillar Salar in Argentina and 5,072 hectares at one of the leading salars in Argentina, Hombre Muerto. The Tolillar Salar grades are lowish and in the [200-350 mg/L range](#) with Mg:Li ratios between 4.90 and 5.37 which is ok. A big plus is that Alpha has [100%](#) of the Tolillar salar to themselves and has now expanded into Hombre Muerto. Additionally, the two Projects have potential future synergies being only 10 kms from each other.

Alpha is testing their in-house developed Direct Lithium Extraction (DLE) process and has achieved some strong results including lithium concentrations of [9,474 mg/L](#) with significant rejection of impurities. They are also testing DLE with Lilac Solutions (private).

At Hombre Muerto drilling is yet to start but given it is the best salar in Argentina then results could potentially be very good. Alpha’s Hombre Muerto tenements are on the outskirts of

the POSCO property, noting POSCO paid [US\\$280 million](#) to acquire these from Galaxy Resources. Alpha Lithium is taking a fast-track approach towards reaching production, then planning to ramp up volumes thereafter.

Alpha Lithium trades on a market cap of [C\\$158 million](#) and has loads of potential.

Arena Minerals Inc.

Arena Minerals (Arena) has [two projects](#) in Argentina which are Sal de la Puna (11,000 hectares) in the Pastos Grandes salar, Argentina and Antofalla (6,000 hectares) located immediately adjacent and south of Albemarle's tenements. Arena also own the [Atacama Copper Project](#) in Antofagasta, Chile.

At the Sal de la Puna Project Ganfeng Lithium has acquired a [35%](#) project share. Ganfeng also owns a [19.9%](#) equity stake in Arena. Lithium Americas also bought [\\$10 million](#) of shares in Arena recently.

Arena Minerals trades on a market cap of [C\\$206 million](#). Great partners but Arena has sold some Project share at Sal de la Puna. Possible takeover target. Copper in Chile is a bonus.

Argosy Minerals Limited

Argosy Minerals (Argosy) owns a 77.5% interest (with a [right to move to 90%](#)) in their flagship Rincon Lithium Project on the Salar del Rincon in Argentina. Argosy also owns the Tonopah Lithium Project in Nevada, USA.

Argosy's Resource is still quite small but should potentially be easily expanded when needed. Lithium grade is a bit below average at 324-369mg/L and the Mg:Li ratio is a bit high. All this means is slightly higher operating costs which is not an issue these days with surging lithium demand and very good

lithium prices. Argosy is fully-funded and [45% construction completed](#) towards their plan to expand to 2,000tpa lithium carbonate production with first product by mid-2022. Thereafter the plan is to expand by 10,000tpa lithium carbonate production to have 12,000tpa production.

The big deal about Argosy is that they are already producing at pilot plant stage with large evaporation ponds already built. This makes them one of the most advanced lithium juniors globally.

Argosy Minerals trades on a market cap of [A\\$353 million](#). One of the very best and most advanced juniors.

Argosy Minerals Rincon Project is already producing battery grade lithium carbonate and working towards 2,000tpa then 12,00tpa LCE



Source: [Argosy Minerals website](#)

Galan Lithium Ltd.

Galan Lithium (Galan) is developing their flagship Hombre Muerto West ("HMW") Project located on the west side edge of the world class Hombre Muerto Salar. Galan also has the nearby Candelas Lithium Project also at southern edge of the Hombre Muerto Salar. Galan also owns 80% of the exploration stage Greenbushes South Lithium Project which is only 3km south of the world-class Greenbushes mine.

At Hombre Muerto West, Galan has 2.3 million tonnes contained LCE at 946mg/L (very high grade) and a very low Mg/Li ratio of <2.0. When including Candelas, in total Galan has [3.0m tonnes contained LCE @858mg/L](#). Galan completed a very positive [PEA](#) in 2020 with a post-tax NPV8% of US\$684 million.

Galan is doing further drilling in Q4, 2021 with a FS planned for 2022.

Galan Lithium trades on a market cap of [A\\$472 million](#). Top class resource and looking like a future star performer.

Hombre Muerto Salar – Galan tenements (blue outline), Livent (red), Galaxy now Orecobre (yellow), POSCO (white)



Source: [Galan Lithium investor presentation](#)

Lithium South Development Corporation

Lithium South Development Corp. (Lithium South) has 3,287 hectares of tenements [under purchase option](#) at their Hombre Muerto North (HMN) Project, on the northern edge of the Hombre Muerto salar. The Project lies just north of the POSCO and Orecobre projects, and near Livent's very successful lithium mine.

Lithium South has a [M&I Resource of 571,000t contained LCE](#), with a high lithium grade of 756mg/L and a very low Mg/Li ratio of 2.6:1. The Project has potential exploration upside. Lithium South is trialing DLE technology in parallel with proven evaporation technology. Their environmental baseline study is also underway with [Phase 1 recently completed](#). The Hombre Muerto North Project PEA ([based only on](#) some of the claims) resulted in a [post-tax NPV8% of US\\$217 million and 28% IRR](#), based only on 5,000tpa lithium carbonate production over a 30 year mine life. Initial CapEx was estimated at US\$93.3 million and OpEx at US\$3,112/t lithium carbonate. These are excellent numbers, albeit for an initial smaller size production project. Lithium South is working to further expand the resource following some good [TEM study results](#).

Lithium South trades on a market cap of [C\\$67 million](#). Looks very attractive on such a low market cap.

Closing remarks

The above top 5 lithium juniors all have lithium brine projects located in Argentina. All still have reasonably low market caps and all have great potential in the years ahead. The usual risks apply to lithium juniors such as country risk, exploration risk, funding risk, permitting risk, production risk etc. In the case of these juniors, many have run up in price recently so buying in stages can add safety in case there is a price pullback.

If looking to diversify away from Argentina then some other good juniors such as Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF) (Canada lithium spodumene project), Global Lithium Resources (ASX: GL1) (Australian spodumene project), and Lithium Power International Ltd. (ASX: LPI) (Chile JV lithium brine high grade project) are worth considering.

Best to take a 5 year time frame and remember to diversify. The EV boom has only just begun so lithium still has a great decade ahead.

Disclosure: The author is long all of the stocks mentioned in the article (except Livent and POSCO).

Jack Lifton with Neo Lithium's

Gabriel Pindar, says “the lithium market is a permanent bull market at this time”

written by InvestorNews | April 21, 2023

In a recent InvestorIntel interview, Jack Lifton speaks with Gabriel Pindar, COO and Director of [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) about Neo Lithium’s latest updated [results](#) that “...confirm that 3Q Project is one of the most significant lithium brine discoveries in recent history” ([source](#)).

In this InvestorIntel interview, which may also be viewed on YouTube ([click here to subscribe to the InvestorIntel Channel](#)), Gabriel went on to say that further to the [125% increase in resource](#) at their 3Q Project located in the Lithium Triangle: “The company expects to begin commercial production of lithium carbonate in the last quarter of 2023 reaching full production of 20,000 tons per year in 2025.” Jack then comments on the Neo Lithium deal with CATL. CATL, which is the largest EV battery producer in the world, is a strategic partner with Neo Lithium. Gabriel draws Jack’s attention to the competitive cost for extraction, Jack adds “the lithium market is a permanent bull market at this time”.

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

About Neo Lithium Corp.

Neo Lithium Corp. has quickly become a prominent new name in lithium brine development by virtue of its high quality 3Q Project and experienced team. Neo Lithium is rapidly advancing its 100% owned 3Q Project – a unique high-grade lithium brine lake and salar complex in Latin America’s “Lithium

Triangle". The 3Q Project is located in the Catamarca Province, the largest lithium producing area in Argentina covering approximately 35,000 ha including a salar complex of approximately 16,000 ha.

To learn more about Neo Lithium Corp., [click here](#)

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Any projections given are principally intended for use as objectives and are not intended, and should not be taken, as assurances that the projected results will be obtained by the Company. The assumptions used may not prove to be accurate and a potential decline in the Company's financial condition or results of operations may negatively impact the value of its securities. Prospective investors are urged to review the

Company's profile on www.Sedar.com and to carry out independent investigations in order to determine their interest in investing in the Company.

If you have any questions surrounding the content of this interview, please email info@investorintel.com.

Neo Lithium reaches nirvana with 125% increase in resources

written by InvestorNews | April 21, 2023

Whenever someone mentions lithium to me, the first thing that pops into my head is Kurt Cobain and Dave Grohl. Obviously, I'm still stuck in the 90's thinking about great songs like [this Nirvana offering](#). The recording of which is arguably responsible for Dave Grohl joining the iconic band. But when I drag my head out of the clouds and back to today the most important lithium going is the commodity that is vital to the build out of electric vehicles, consumer electronics and various energy storage applications involving rechargeable batteries. You've heard us go on and on at InvestorIntel about the importance of lithium, perhaps no more clearly than [this article](#) by Jack Lifton (a must read). So I won't pound the table anymore on that topic as long as you read Jack's article.

So what if there was a junior miner that just announced a 125% increase of measured and indicated resources in their lithium brine project in Catamarca Province, Argentina. I bet that would

get you pretty excited. Well, you are in luck. [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) just [announced exactly that](#) at their [Tres Quebradas \(3Q\) project](#).

The Company's 3Q project is located in the southern end of the "Lithium Triangle" in the Puna Plateau, where over 40% of global lithium is produced. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. The largest lithium brine mines and projects in the world are located in salars (a salt-encrusted depression that may or may not be the basin of an evaporated lake) in the Lithium Triangle including Atacama Salar (SQM and Albermarle), Cauchari-Olaroz Salar (Orocobre and Lithium Americas) and Hombre Muerto Salar (Livent and Galaxy). Neo Lithium is in the same neighborhood as all the big names in lithium.



Source: [Corporate Website](#)

This resource increase was a function of the latest drilling results [announced by Neo Lithium on May 27th](#) where the company intercepted a new deep brine aquifer, located outside the area which resulted in the Company's previous Mineral Resource Estimate prepared by Groundwater Insight Inc. with an effective date of August 14, 2018. So they gave Groundwater a call and asked them to work on a new resource estimate using the results from the new wells. Those results are summarized as follows (lower right of the table is the impressive 125% increase):



Source: [Corporate Press Release](#)

As an investor trying to make a decision on whether this is a good stock to buy or not, let's have a look at some of the other

important facts about Neo Lithium. Notwithstanding the overall outlook for lithium, which I promised not to keep droning on about, there are several corporate specific items that are key. The Company has a lot of money to begin the commercial development of this project, \$59 million at the end of March. They have the world's largest battery manufacturer Contemporary Amperex Technology Co. Limited (CATL) – a global leader in the development and manufacturing of lithium-ion batteries and the world's No. 1 ranked EV battery producer – as a strategic investor (8% equity interest), [including a seat on the board](#). A pre-feasibility study, done prior to the latest resource increase, had a 50% IRR, \$1.1 billion after tax NPV (8% discount rate), and a 1 year 8 month payback period.

Additionally, the 3Q project is 100% owned and Neo Lithium controls the entire salar which still has exploration upside. The high-grade core of the 3Q project is 3rd highest grade lithium project in the world, 4th best on overall average grade. The low impurities contribute to this project being estimated to be in the lowest quartile OPEX in the industry at US\$2,900/t. Pilot plant operations have run for over a year achieving battery grade quality (99.797% lithium carbonate) and pleasing CATL with the results. Similar processing operations have run in the area for over 20 years, so it's not like this project is reinventing the wheel, perhaps just advancing a better way to power the wheel.

All of this make 3Q one of the best undeveloped lithium projects worldwide. But there's the key – undeveloped. So what's next for Neo Lithium? The Company plans to complete the final feasibility study in Q3/21 at which point it will finalize financing discussions with CATL, assuming they've obtained the Environmental Impact Assessment. At that point, they can start executing a construction plan and get this impressive project

making all that money that the PFS indicated was there for the taking, assuming lithium prices remain strong but we've already covered that!

Neo Lithium's Gabriel Pindar on the rising demand for lithium in electric vehicles

written by InvestorNews | April 21, 2023

In a recent InvestorIntel interview, Tracy Weslosky spoke with Gabriel Pindar, COO and Director of [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) about their recent [news release](#) about CATL increasing its investment in Neo Lithium.

CATL is one of the largest battery manufacturers for electric vehicles in the world which made a strategic investment in Neo Lithium in September last year. In this InvestorIntel interview, which may also be viewed on YouTube ([click here to subscribe to the InvestorIntel Channel](#)), Gabriel went on to say that CATL is expanding its plants globally and "for every one of those plants they will need more materials. That is why they are talking to us about lithium."

Neo Lithium was recently named to the 2021 OTCQX® Best 50. Speaking on the competitive advantages of Neo Lithium's 3Q Project, Gabriel said that it is a high-grade lithium brine project which is "one of the lowest impurity projects in the market" which allows for efficient lithium carbonate production.

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

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Announced today the UK gasoline and diesel car sales ban by 2030 is a strong tailwind for Neo Lithium

written by InvestorNews | April 21, 2023

Today the U.K. Prime Minister Boris Johnson announced about his [ten point green plan](#). Perhaps the two biggest parts of the plan are – “UK sales of new gas and diesel cars to be banned from 2030” and “quadruple U.K. offshore wind production to 40GW by

2030". The implications for the electric vehicle (EV) and wind sectors are enormous. One common denominator for EVs and wind energy is that they need batteries to store the energy. This means demand for batteries and for battery metals such as **lithium** is set to boom this decade. In the US, also [announced today](#), a group of more than two dozen utilities, EV-charging companies, battery suppliers and EV manufacturers have formed the Zero Emission Transportation Association (includes Tesla) calling for emissions caps and 100% EV sales in the USA by 2030.

Even prior to today's announcements the lithium sector has been forecast for demand to increase ["more than six times"](#) this decade (from 2019 levels to end 2029), as the EV and energy storage booms take off. The chart below was done before the latest news of a Biden victory and the Johnson Green Plan, meaning that the demand curve will likely be significantly larger.

Lithium looks to be heading towards very large deficits later this decade as demand soars



[Source](#)

With all of this demand for lithium in the years ahead one company looks extremely well placed to ride the next wave of the lithium boom. That company is [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF).

Neo Lithium 100% own (and has fully paid) their Tres Quebradas ("3Q Project") lithium project in Argentina. The Project is a standout for numerous reasons.

- Neo Lithium 100% own the entire salar, which covers 160Km² (6th largest salar in the world).

- The 3Q Project has high grade lithium brine (3rd-4th highest globally).
- The 3Q Project has extremely low impurities (the lowest globally). This should result in 3Q having very low capital intensity to develop and industry lowest quartile operating expenses (OpEx).
- The 3Q Project is already at a fairly advanced stage and looks set to be a likely near term lithium producer.

Neo Lithium's 3Q Project ranks 3rd-4th for the highest lithium brine grades globally



[Source](#)

Neo Lithium looks set to be the next major new lithium brine producer following Lithium Americas



[Source](#)

The [2019 amended Preliminary Feasibility Study \(PFS\)](#) resulted in a post-tax NPV8% of [US\\$1.14 billion](#) and IRR of 49.9%, payback of < 2years with a 35 year mine life. The PFS was based on an initial 20kt pa lithium carbonate production and has a CapEx of US\$319M and OpEx of US\$2,914/t lithium carbonate. These are excellent numbers.

Neo Lithium has another huge plus going for them. That is, China's and the world's largest battery manufacturer, Contemporary Amperex Technology (CATL), is a [strategic investor](#) in Neo Lithium with an [8%](#) equity stake and board representation.

The 3Q Project is quite advanced with some pilot ponds already constructed and a lot of infrastructure already in place. The

Environmental Impact Statement (EIS) is currently under assessment with results due out soon. The Feasibility Study (FS) is underway and is due out by end Q2, 2021, assuming no COVID-19 disruptions.

CATL will also be a part of the technical committee that will be leading the FS forward. While this does not yet guarantee CATL off-take rights it puts them in a prime position. Once the FS for the 3Q Project is completed, I strongly suspect that CATL will assist in the financing plan for the future construction of the 3Q Project, and collect significant lithium off-take rights. CATL is a very large company with over US\$60 billion in market capitalization and over US\$3 billion in cash. Also of relevance was yesterday's announcement that [CATL will invest \\$5.1 billion for a battery factory in Indonesia](#). No doubt it will need plenty of lithium.

Closing remarks

Neo Lithium's 3Q Project is arguably the best and next lithium brine project set to go into production after Lithium America's Cauchari-Olaroz Project, both in Argentina. Management is top tier led by [Waldo Perez](#), who discovered both the projects mentioned just above. If all goes well with the FS, CATL relationship, and project funding, it is possible to see Neo Lithium commence production by late 2022 or early 2023. This would be perfect timing as the EV boom should be taking off at that time as EVs and Internal Combustion Engine vehicles reach purchase price parity. The UK gasoline and diesel ban by 2030 and the US Zero Emission Transportation Association call for 100% EVs by 2030 are all just icing on the cake.

Risks exist due to not yet being a producer and the risks involved with lithium prices and sovereign risk in Argentina.

Neo Lithium currently trades on a market cap of C\$182M.

Investors should not wait too long as the EV trend is very rapidly gaining momentum (notably in China, Europe, UK and USA) and quality lithium miners like Neo Lithium have potential to be huge winners this decade.

Disclosure: The author is long Neo Lithium Corp. (TSXV: NLC).

Wealth Minerals President on hitting the lithium market full force

written by InvestorNews | April 21, 2023

June 6, 2018 – “Every single brine asset in the world is visible from outer space. Everyone knows where they are. You are competing with everyone. There is no way you have a competitive advantage in terms of finding these things because everyone knows where they are. Your competitive advantage is in understanding the paradigm shift that is happening in the world first, picking a jurisdiction where you have competitive advantage and then basically hitting it with full force.” states Tim McCutcheon, President of [Wealth Minerals Ltd.](#) (TSXV: WML | OTCQX: WMLLF), in a recent presentation at the 7th Annual InvestorIntel Summit – Buds, Batteries & Blockchain 2018.

Tim McCutcheon: We will go through obviously the disclaimers and forward looking statements. The key thing about Wealth Minerals and, again, I think in the interest of time in having it be a little more focused, I have a tendency to skip around a little bit so please forgive me on that, but the idea really is to give

you an understanding of what Wealth Minerals is and where we are going. The company has been around for a while obviously, but its current form in terms of being involved in the lithium space, started about 2 years ago. Market cap, anywhere between \$150 and \$170 million dollars. As I am sure you are probably aware that the volatility in the lithium market right now is quite high, lithium equity market, so things are moving all over the place. In general we are well north of a \$100 million dollar market cap, which means that we are already getting interest from institutional investors and, sort of, out of the retail space and now into the institutional space. Four lithium projects, all of them in Chile. I think the key thing that we like to present about ourselves is, Chile as jurisdiction is a great place to be. It is a mining friendly place. It has a proven track record of over decades of being fair to investors, being stable, both on a macro level, on a fiscal level. It is not a country you go to wake up the next morning and find something horrible happened in newspapers. It is a fairly predictable place. As far as our team goes we have an unparalleled ability to operate within Chile in part because of the track record of the team. Our country manager is Marcelo Awad. He was the CEO at Antofagasta, one of the world's largest copper mining companies and he was an Executive Vice President at Codelco, which is a state mining company for Chile, obviously a major player in that country. There are a bunch of other reasons as well, but, again skipping on. As a timeline, as we just spoke about, about 2 years ago the company got started in the lithium space. Our basic idea was to put together a platform. That platform was put together in the beginning of 2016. Use that platform to acquire assets. Again, what I mentioned in the panel a little bit earlier, the lithium space, at least in where we are focused, which is South America a triangle for salars, brine assets. Every single brine asset in the world is visible from outer space. Everyone knows where they

are. You are competing with everyone. There is no way you have a competitive advantage in terms of finding these things because everyone knows where they are. Your competitive advantage is in understanding the paradigm shift that is happening in the world first, picking a jurisdiction where you have competitive advantage and then basically hitting it with full force...to access the complete presentation, [click here](#)

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