

The ‘closeology’ textbook suggests we all enjoy a Lithium Ionic read

written by InvestorNews | December 8, 2022

Because the world isn't already confusing enough, I thought I'd share my latest trip down the rabbit hole. Today I'm writing about a lithium explorer, so one of the things I thought I'd review was the underlying commodity price. I knew it had surged to record levels recently but was taking a bit of a breather, I wanted to know if the price had come off a little or a lot. The first number I got when I googled the price of lithium was US\$0.0007898. That seemed like a weird number so I figured I'd better see what measurement that was based on. Maybe some exchange started tracking lithium in milligrams or something. Nope, some marketing genius decided to hop on the rocketing global demand for lithium by creating a crypto coin called [lithium](#) that is part of the decentralized NFT valuation protocol. Do not be concerned, the actual commodity is still trading near all-time record highs which should be exceedingly profitable for any producer that can get it to market.

Now that we've cleared that up, let's move on to a textbook "closeology" example in the lithium world. I find closeology, or proximity to an existing discovery, is often an encouraging starting point. If for no other reason than you can potentially get a decent trade out of it. A great example was the Newfoundland gold rush of 2021 that was sparked by New Found Gold Corp.'s (TSXV: NFG | NYSE-A: NFGC) incredible drill results that lead to a pretty good rally in virtually every gold explorer that declared they had mining claims in Newfoundland. Unfortunately, since then, gold stocks have been abandoned

(until the last week or two), and if you didn't start matching New Found Gold's results it turned into a double whammy. However, today's example won't be for lack of trying as the company has a well-stocked treasury and 5 drills turning, looking for one of the hottest commodities on the planet right now.

That company is [Lithium Ionic Corp.](#) (TSXV: LTH | OTCQB: LTHCF), a Canadian-based lithium-focused mining company with properties covering ~2,000 hectares located in the prolific Aracuai lithium province in Minas Gerais State, Brazil, which boasts excellent infrastructure, including highways, access to hydroelectrical grid power, water, and nearby commercial ports. They have a vision to develop a commercial grade lithium operation economically and responsibly. To do that they have assembled an experienced team with a track record in lithium mining, geology, and capital markets that is ideally suited to execute on a disciplined development plan.

Lithium Ionic is actively drilling two prospects, its Galvani claims, as well as Bandeira (formerly Area 1) of its [Itinga claims](#). When it comes to close, I'll let the following picture do the talking.



Source: Lithium Ionic [Corporate Presentation](#)

Bandeira is located south of the operating CBL Lithium Mine and directly north of SIGMA Lithium Corporation's (NASDAQ: SGML | TSXV: SGML) Barreiro project. The Galvani property is located less than 4 kilometres from Sigma Lithium's Xuxa deposit. Another picture will give you an example of the Araçuaí Pegmatite District (APD), where more than a hundred pegmatitic occurrences are known and holds the biggest lithium reserves of Brazil.

PROLIFIC LITHIUM DISTRICT



CBL MINE (Producer)

Private company, producing lithium since 1993
Produces both Li-carbonate and Li-hydroxide in its chemical plant in Divisa Alegre (MG)
36,000 tpy of SPO concentrate @ 5.5%; Spodumene Reserves of +1.3Mt
33.3% owned by Brazilian private equity firm, Ore Investment



ITINGA PROJECT, Bandeira + Areas 2-5 (Exploration)

100% interest in +1,300 hectares
30,000m drilling program underway (focus on Bandeira)

GALVANI CLAIMS

Claims acquired in Sept. 2022; drill program underway
Highlights: 1.98% Li2O/25.63m, 1.94% Li2O/20m; 1.71% Li2O/22m; 2.22% Li2O/12.5m



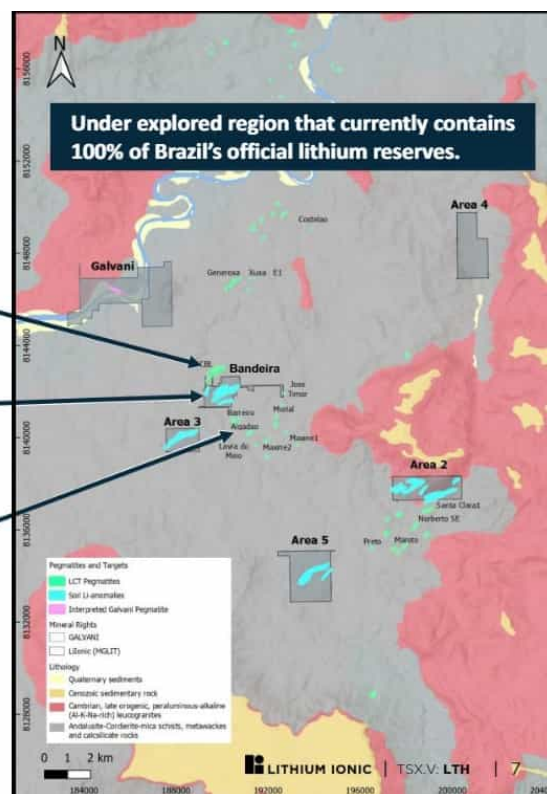
GROTA DO CIRILO PROJECT (Under Construction)

The largest hard rock lithium deposit in the Americas
Project under construction; production slated in late 2022
NI 43-101 resource estimate of 52Mt
Phased development: initially 33,000 tpy LCE as SPO concentrate; eventually expected to produce 531,000 tpy LCE from 2 deposits



SALINAS PROJECTS (Exploration)

Bananal Valley: 1,250 ha; Salinas South: 4,088 ha
Drilling initiated in early 2022
(~60kms North of Galvani)



Source: Lithium Ionic [Corporate Presentation](#)

The reason I'm fixating on closeology is actually more to do with Sigma Lithium than CBL. The reason being, Sigma now hosts the largest hard rock lithium deposit in the Americas, with proven and probable mineral reserves of 54.8 Mt of lithium spodumene at 1.44% lithium oxide. And they've done this very quickly, going from less than US\$1.50/share in June, 2020 to over US\$35/share currently. That's a market cap of US\$3.5 billion. It's not hard to imagine that if Lithium Ionic can start putting up some significant resource numbers that the market will take notice. Especially those who may have missed out on the tremendous run that Sigma has had.

The question becomes, how can Lithium Ionic get there from here. The Company has roughly C\$35 million in working capital, is in the midst of a 30,000 meter drill program with 5 drills operating along with additional regional exploration work ongoing. They expect to produce an inaugural mineral resource estimate in Q1 2023 with drilling updates coming out every 6-8

weeks. And thus far those updates have been solid with the results [announced in early November](#) that included 1.98% Li2O over 25.63 meters representing the strongest grades in the Galvani area encountered since the Company began drilling earlier this year. In the same press release, Lithium Ionic reported values of 1.99% Li2O over 6.75m, 1.56% Li2O over 3.90m and 1.44% Li2O over 8.33m all located within 50 meters from surface at its Bandeira project.

You can see the potential is there, although Lithium Ionic is not exactly a hidden gem with a current market cap of roughly C\$216 million. However, what I find interesting is that the Company [raised C\\$25 million](#) in October of this year at C\$1.60/share and the stock has traded above that level since the start of November. Additionally, they didn't have to add warrants to this issue to push it out the door, which tends to be a very positive sign of strong support for the stock. Sigma has shown that the sky's the limit, but you'll need a lot more than closeology to get there.

Will Sokoman Minerals be Eric Sprott's next Newfoundland gold success story?

written by InvestorNews | December 8, 2022

Every once in a while I find myself scanning through a company's website or press releases and then I have to pause for a moment and go back and re-read something. Instead of the usual content you expect to see, something jumps off the page and you have to

make sure you read it correctly and that your eyes weren't playing tricks on you. Today's junior mining stock had me doing this a couple of times for several different reasons. The company is unusual (in a good way) and not simply because Eric Sprott beneficially owns 25% of the outstanding shares (even more if warrants are exercised). It also had nothing to do with its location, Newfoundland & Labrador, although that's why I was looking at it in the first place as I just happen to enjoy reading and writing about this special part of Canada.

The first thing that jumped off the page for me was "Approximately 48,000 metres remain to be completed in the current 100,000 m drill program". For a junior miner anywhere, that is a giant volume of drilling, which also means there has to be plenty of cash around as well. How about a treasure stocked with C\$13 million? Seems like enough to undertake such an enormous exploration program and as the Company states "sufficient funds to undertake all the exploration activities planned for 2022". The last thing that stood out was the number of projects being actively explored – 5. Most junior mining companies don't have more than 2 or 3 properties to pursue, often only 1, and even more rare is the resources to be working on all these projects over the next 3-6 months.

Needless to say, I was hooked. I had to find out more about [Sokoman Minerals Corp.](#) (TSXV: SIC | OTCQB: SICNF), and let me tell, there is a lot more to learn. The Company's primary focus is its portfolio of gold projects; flagship [Moosehead Gold Project](#), [Crippleback Lake](#) (optioned to Trans Canada Gold Corp.) and [East Alder](#) (optioned to Canterra Minerals Corporation) along the Central Newfoundland Gold Belt, and the district-scale [Fleur de Lys project](#) in north-central Newfoundland. The Company also recently entered into a strategic alliance with [Benton Resources Inc.](#) (TSXV: BEX) through three, large-scale, joint-venture properties including [Grey River](#), [Golden Hope](#) and [Kepenkeck](#) in

Newfoundland. Sokoman controls, independently and through the Benton alliance, over 150,000 hectares (>6,000 claims – 1500 sq. km), making it one of the largest landholders in Newfoundland, in Canada's newest and rapidly-emerging gold districts. The Company also retains an interest in an early-stage antimony/gold project ([Startrek](#)) in Newfoundland, optioned to White Metal Resources Inc., and in Labrador, the Company has a 100% interest in the [Iron Horse \(Fe\) project](#) which has Direct Shipping Ore (DSO) potential.

I'm still trying to figure out what metal or minerals Newfoundland & Labrador doesn't have as it seems the region has an abundance of everything. Along those lines, the Golden Hope JV with Benton made the [first high-grade lithium discovery](#) in Newfoundland in September, 2021. The [first assay results](#) from the drilling program that tested the Kraken pegmatite field returned an average of 0.95% Li₂O over 8.40 m with grades as high as 1.76% Li₂O. Not bad when you are looking for gold. The Alliance has proposed a C\$3 million budget for a summer drill program testing as many of the known pegmatite dykes as possible, with up to 30-40 holes planned. Camp setup and drill mobilization are expected in mid-June.

But as interesting as this is, for today I think will focus on where the bulk of the drilling is being done, and that's the Moosehead Gold Project where visible gold has been intersected in drilling over a 2 km strike length. From 2018-2021 Sokoman completed ~73,000 m of drilling with ~360 holes, leading to the discovery of 4 significant zones, all of which remain open. Highlights from these zones rival some of the findings from their neighbors to the east, New Found Gold Corp. (TSXV: NFG | AMEX: NFGC) another Eric Sprott backed gold miner in Newfoundland:

Western Trend • MH-18-08 • 1.05 m @ 207.5g/t Au from 8.5 m; and

2.28 m @ 42.36 g/t Au from 33.1 m

Eastern Trend • MH-18-01 • 11.9 m @ 44.96g/t Au, including 5.65 m @ 93.56 g/t Au from 115.2 m

75 Zone • MH-21-23 • 44.8 m @ 17.56g/t Au, including 2.75 m @ 30.59g/t Au from 44.75 m

South Pond • MH-20-12 • 35.0 m of 26.87 g/t Au, including 2.15 m @ 60.59 g/t Au from 47.0 m

Heading into 2022 is where things get really exciting. [Results last week](#), some of the first holes from the 100,000 m 2022 program, expanded the 75 Zone and essentially linked it with the main Eastern Trend/Footwall Splay mineralization (see picture below). In addition, MH-22-418, completed last week (assays pending) intersected the deepest occurrence of visible gold to date on the property at a downhole depth of 352 m.



Source: Sokoman Minerals [May 19, 2022 Press Release](#)

It would appear there will be a steady stream of drilling results coming from Sokoman Minerals over the following weeks and months, not only from Moosehead, but Golden Hope and Grey River with JV partner Benton Resources Inc. There is a lot going on at this well funded, junior gold (and now lithium) explorer. With a market cap of C\$66 million it's not hard to imagine plenty of upside when one of your comparables is New Found Gold at a market cap of C\$1.2 billion.

China pays full value for Neo Lithium. Here comes the bull market.

written by Tracy Weslosky | December 8, 2022

Friday post-market we had significant news in the critical materials market. Zijin Mining Group Co., Ltd. and [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) (FSE: NE2) [announced](#) that they have entered into a definitive agreement pursuant to which Zijin has agreed to acquire all of the outstanding shares of Neo Lithium at a price of per share of C\$6.50 in cash.

The offer price represents a premium of approximately 36% over Neo Lithium's 20-day volume-weighted average price. The total cash consideration for all of the outstanding equity of Neo Lithium is approximately C\$960 million.

That is a phenomenal deal for shareholders as just one year ago, the company was trading at a mere C\$0.60 per share and this offer is double the share price in June 2021. In May 2019, the company released a [374-page Pre-Feasibility Study](#) for the company's flagship Tres Quebradas (3Q) lithium brine project in Catamarca, Argentina, valuing the project at \$1.14 billion with a post-tax 49.9% IRR. Full value recognized and received.

The Neo Lithium project, which is located in the so-called "Lithium Triangle", is where an estimated 40% of global lithium production originates in an area that holds more than 90% of the world's lithium brine resources. Neo Lithium owns 100% of the project.

In a recent column on InvestorIntel, Neo Lithium was identified as one of the [top five lithium development and exploration](#)

[companies for 2021](#). The 3Q project is outstanding globally as it has the highest grade lithium deposit in Argentina (3rd-4th highest in the world) with the lowest critical impurity content in the world. The company established pilot plant production in September 2019 and saw battery-grade lithium carbonate (99.6% pure) in March 2020 and produced 99.9% pure lithium carbonate in June 2021, which contributed to the share price increasing from the \$2.50-3.00 range to current levels.

Recall that in [September 2020](#), the company welcomed a leading Chinese battery manufacturer and technology company, Contemporary Amperex Technology (CATL) as an 8% shareholder and strategic partner. This allowed Neo Lithium to strengthen the company balance sheet and provided industry expertise as the project was moving towards a Definitive Feasibility Study and planning for full-project construction and financing.

Is this the right time to sell for Neo Lithium? In the news release announcing the transaction, Neo Lithium's President and CEO revealed that the company had conducted a thorough strategic process and selected Zijin Mining for (among other things) their track record of developing assets in a responsible manner respecting the interests of local employees, communities and authorities. With an estimated \$247.7 million of start-up capital required, this is the next logical step.

The transaction is subject to the receipt of certain government, regulatory, court and stock exchange approvals, including approval by relevant authorities in China and Investment Canada Act approval, and other closing conditions customary in transactions of this nature. Notwithstanding recent Sino-Canada tensions, this transaction should be swiftly approved.