

Drolet Stock Notes on Critical Elements Lithium Corp.: Lithium hydroxide demand is expected to dominate the lithium market

Mario Drolet, President of MI3 Communications Financières Inc. (MI3), released his Drolet Stock Notes on Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF) on October 9, 2020 for exclusive distribution on InvestorIntel. Highlights include:

- Critical Elements Lithium Corporation is a junior mining company in advance exploration stage. The company's flagship project is the Rose Lithium-Tantalum project located in James-Bay, Quebec with a good geographic location.
- Lithium hydroxide demand is expected to dominate the lithium market. Rose is a hard rock, high purity lithium resource with low iron/low mica content, the material of choice for lithium hydroxide production.
- The Company's near-term focus is on securing final permits and project financing with first production targeted for 2021.
- CRE surge in Volume following a 3.0 Million completed PP @ \$0.30 cents ...
- Support: S2; \$0.45 S1; \$0.57 Resistance: R1;
\$0.63 R2; \$0.72



About Critical Elements Lithium Corporation

Critical Elements Lithium Corporation is a junior mining company in advance exploration stage. The company's flagship project is the Rose Lithium-Tantalum project located in James-Bay, Quebec with a good geographic location, on-site access to infrastructures like: powerline, roads, airport, railway access and camp. Primero Group recently completed the first phase of its Early Contractor Involvement agreement with the Corporation and provided a Guaranteed Maximum Price for the engineering, procurement and construction of the wholly-owned Rose Lithium-Tantalum project on a lump sum turnkey basis that is in line with the Project's feasibility study published November 29, 2017. The project feasibility study is based on price forecasts of US \$750/tonne for chemical-grade lithium concentrate (5% Li₂O), US \$1,500/tonne for technical-grade lithium concentrate (6% Li₂O) and US \$130/kg for Ta₂O₅ in tantalite concentrate, and an exchange rate of US \$0.75/CA \$. The internal rate of return ("IRR") for the Rose Lithium-Tantalum project is estimated at 34.9% after tax, and net present value ("NPV") is estimated at CA \$726 million at an 8% discount rate. The estimated payback period is 2.8 years. The pre-tax IRR for the Rose Lithium-Tantalum Project is estimated

at 48.2% and the pre-tax NPV at CA \$1,257 million at an 8% discount rate (see press release dated September 6, 2017). The financial analysis is based on the Indicated mineral resource. An Indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The life-of-mine (LOM) plan provides for the extraction of 26.8 million tonnes of ore, 182.4 million tonnes of waste, and 11.0 million tonnes of overburden for a total of 220.2 million tonnes of material. The average stripping ratio is 7.2 tonnes per tonne of ore. The nominal production rate is estimated at 4,600 tonnes per day, with 350 operating days per year. The open pit mining schedule allows for a 17-year mine life. The mine will produce a total of 26.8 million tonnes of ore grading an average of 0.85% Li₂O and 133 ppm Ta₂O₅, including dilution. The mill will process 1.61 million tonnes of ore per year to produce an annual average of 236,532 tonnes of technical and chemical grade spodumene concentrate and 429 tonnes of tantalite concentrate.

PLEASE DO YOUR DUE DILIGENCE

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Neometals offers five great opportunities for the price of one

One of the first rules of investing is don't put all your eggs in one basket. Diversification adds layers of protection and opens up new opportunities as you will read below.

Neometals Ltd. (ASX: NMT) is not just another lithium company as they also have nickel, titanium, vanadium and coming soon, processing and recycling. Neometals has two key divisions – a fully integrated lithium business and a titanium-vanadium development business. Both are supported by proprietary technologies that assist downstream integration through revenue enhancement and cost efficiencies.

Neometals offers five great opportunities

1) Lithium mining. Neometal's owns a 13.8% stake in the Mt Marion lithium mine near Kalgoorlie, which is currently producing lithium spodumene. Neometals project loans are now all fully paid off and the project is profitable and cash flow positive.

Li

Mt Marion Lithium Operation



Neometals 13.8%
through Reed Industrial Minerals Pty Ltd

Neometals

Li + Ti = Nm

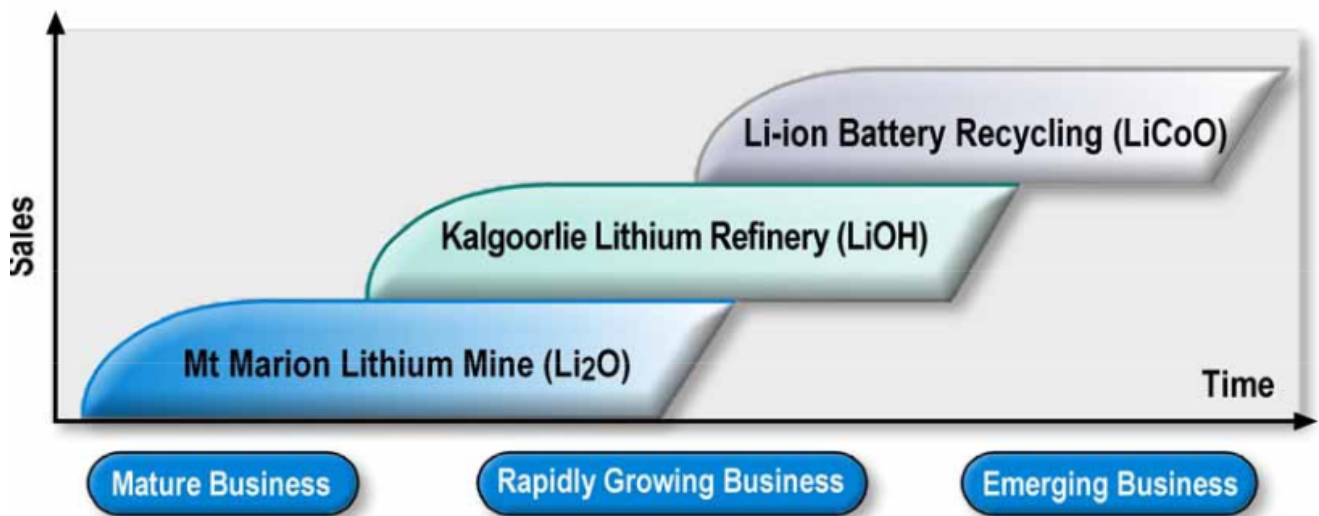
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Mt Marion location map

2) Lithium processing. Neometals is currently assessing the possibility for a 20,000 tpa lithium hydroxide plant near Kalgoorlie Western Australia. The plant will potentially be fed from Mt Marion, Mt Holland and Mt Edwards lithium spodumene projects, commencing processing in 2021 assuming it goes ahead. Neometals has also arranged a 2 year option to sublease a 40 hectare site near Kalgoorlie.

3) Lithium-ion battery recycling. Neometals have completed a scoping study showing they can recycle cobalt from lithium-ion batteries. The study showed cobalt could be recycled for as low as US\$4.45/lb Co (US\$10k/t). The company has a pilot plant in Montreal Canada. Neometals plan to bring in a partner and say that the project can be up and running after 3.5 years.

Neometals Horizons of Growth



Neometals growth plans

4) Titanium and Vanadium. The 100%-owned Barrambie Titanium-Vanadium Project in Western Australia's mid-west is one of the world's highest grade hard-rock titanium-vanadium deposits. Titanium is a small market mostly involving super strong alloys. There is a possibility that titanium may be used in the future for lithium ion battery anodes, due to its extreme strength. Vanadium is mostly produced as a by-product from processing titanium iron ore. Vanadium is rapidly gaining popularity especially in China for energy storage in the form of Vanadium Redox Flow Batteries (VRFBs) and for the steel hardening industry as just 0.05% vanadium doubles the strength of steel. Also demand for vanadium in China has increased as new rebar laws are now forcing builders to increase the strength of the steel that is used. This has resulted in the vanadium price rising over 5 fold in the past year.

Note: Neometals plans to demerge Barrambie Titanium-Vanadium Project and associated non-lithium technology assets, subject to shareholder/regulatory approvals and third-party consents.

5) Other

The ELi process, converts spodumene concentrate into a high

purity lithium chloride solution, then uses “electrolysis” to produce high purity lithium hydroxide and lithium carbonate.

Lithium Titanate Anode production which shows the potential to replace graphite anodes.

The Alphamet – Neomet Process designed to effectively extract valuable metals for a wide spectrum of base, light and precious metal oxides and sulfides, intermediates and waste feeds.

Zeolite – Neometals are successfully turning engineered material out of spodumene leach residue into a product called Zeolite. Zeolites can be used to remove carbon dioxide (CO₂) in air purification, moisture and hydrogen sulfide (H₂S) from natural gas and in catalyst protection, among other things.

Neometal’s Managing Director Chris Reed said: “External market studies show a large addressable market where we have what appears to be a clear competitive advantage associated with zero cost feed material. Conversion of spodumene leach residues into a sale-able zeolite co-product also creates an opportunity to significantly reduce lithium production costs”.

With a market cap of AUD\$138M Neometals Ltd. will continue to develop projects and bring in partners to reduce their upfront running costs. Neometals is debt free, cashed up, cash flow positive, and have already paid a dividend to shareholders. Additional revenue streams from licensing and third party royalties for some of their IP processes involving lithium extraction, processing, or recycling will also be welcoming.

Neometals certainly do have their fingers in many promising investments, and are not putting all their eggs in one basket. A great company making all the right moves.

Neometals Chris Reed on the cost advantage of making Zeolite

“In terms of zeolite and making it, which is an engineered material out of our spodumene leach residue, it can potentially be a cost advantage. We have certainly made what is called a Type A and numerous types of zeolites. They are used in industrial purposes as catalysts, absorbents, etc. We are doing the engineering studies. We have got M&W looking at the operating and capital costs for that. We hope that can reduce our costs of production of lithium hydroxide in time.” States Christopher Reed, Managing Director of Neometals Ltd. (ASX: NMT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Chris thanks so much for doing this interview with me on what zeolite is. I have Neometals. You have been following your lithium, nickel, titanium, vanadium and recently Matt Bohlsen was talking about how you will be recycling for cobalt. In particular you just put out a news release about zeolite. Why don't you start by giving us an overview on what that news release actually means? Then you can talk to us about what zeolite is please.

Chris Reed: Sure Tracy. In terms of zeolite and making it, which is an engineered material out of our spodumene leach residue, it can potentially be a cost advantage. We have certainly made what is called a Type A and numerous types of zeolites. They are used in industrial purposes as catalysts, absorbents, etc. We are doing the engineering studies. We have got M&W looking at the operating and capital costs for that.

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Tracy Weslosky: Let me understand. This comes from lithium. Is that correct?

Chris Reed: It is actually what is left after we dissolve the lithium out of the spodumene.

Tracy Weslosky: Okay. You have managed to find an interesting byproduct of lithium. I am reading your news release it says it is going to reach a \$16.28 billion market by 2022. Could you tell us a little bit more? Where did we get this number from for instance?

Chris Reed: We bought a marketing study. There are plenty of big multinationals in the zeolite market. Another term for them is molecular sieves. You can actually use these minerals as molecular sieves to remove moisture from gas, to remove impurities from gas to purify oxygen, etc.

Tracy Weslosky: Is there a reason we have so many companies everywhere splattering the playing field of our stock portfolios with the world lithium in them, but I am pretty sure none of them are using the word zeolite or perhaps I have not been looking for it. Can you tell me, are you just closer to production than many of your competitors or can you explain to me a little bit more because we as shareholders are actually quite interested in this byproduct you have?

Chris Reed: Sure. Traditionally all the lithium conversion has been done up in China. They basically take the residues and give it to cement manufacturers to make concrete out of. In Australia we are having a look at something smarter to do with the residue, examining exactly what it is and can we make a value-added product to reduce our cost because reducing our cost is pretty much the only long-term strategy that we can use in the lithium business. We have got Mt Marion where we are making concentrates. We are looking at building a lithium

refinery project to make lithium hydroxide and we have got the battery recycling. All of that is to get the highest revenue per lithium unit at the lowest cost...to access the complete interview, click here

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Neometals' Chris Reed on building a lithium battery recycling plant

"Our most immediate corporate move is to recommend to the shareholders to demerge our titanium-vanadium assets away from the lithium business. Mt Marion is very mature. It is generating cash. We are now looking to build a down streaming lithium hydroxide plant, a lithium battery recycling plant. They have got their own capital needs. Barrambie is a far, far bigger resource by value, but not as developed so we are not getting value for that in the current portfolio. We will separate that out first." States Christopher Reed, Managing Director of Neometals Ltd. (ASX: NMT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Here we go again. You just keep hitting one benchmark after another, one milestone after another. On top of that, for the last several years you have been— I have got here, 3 consecutive dividends in the last financial years. Do I have that information correct? Please correct me.

Chris Reed: That is correct Tracy. We have returned about \$20 odd million to our shareholders in 3 consecutive dividends.

Tracy Weslosky: Being in this space I never hear about any other company doing this in this particular market valuation. Can you tell me what makes you different? Why are you doing this for your shareholders or how can you do this?

Chris Reed: Our moto is we are a business. I measure the success of a business by giving back more than you take off people. We managed to sell some equity in the Mt Marion mine a number of years ago, which gave us a very, very healthy cash balance far in excess of what we needed to spend. Prudent returns back to the shareholders is one of the things we pride ourselves. You have got to remember that the board of management is the largest shareholder in the company so we are very well aligned to sharing the gains that we do make.

Tracy Weslosky: I know we love this here at InvestorIntel. Can you tell us when you plan on listing in North America or plan on doing a dual listing?

Chris Reed: Our most immediate corporate move is to recommend to the shareholders to demerge our titanium-vanadium assets away from the lithium business. Mt Marion is very mature. It is generating cash. We are now looking to build a down streaming lithium hydroxide plant, a lithium battery recycling plant. They have got their own capital needs. Barrambie is a far, far bigger resource by value, but not as developed so we are not getting value for that in the current portfolio. We will separate that out first. We have an American depository receipt program on the Pink Sheets and the NASDAQ International Designation. For us we think that the shareholders prefer— they will own the same amount in each project, but in two companies.

Tracy Weslosky: This was just put out in a news release just a month ago. I believe I read that you would have completed this demerger in March/spring of next year. Is that correct?

Chris Reed: Yeah, certainly. Look we have got to put our

financial results out by the end of September. We will have a bit more information around the demerger. We have to have all our documents to the shareholders at least 4 weeks before the annual general meeting, which is at the end of November. We hope to complete that early pending approval in the March quarter, early in the March quarter of 2019.

Tracy Weslosky: You always put out such comprehensive news releases. You had one more recently about being able to produce commercial grade zeolite...to access the complete interview, [click here](#)

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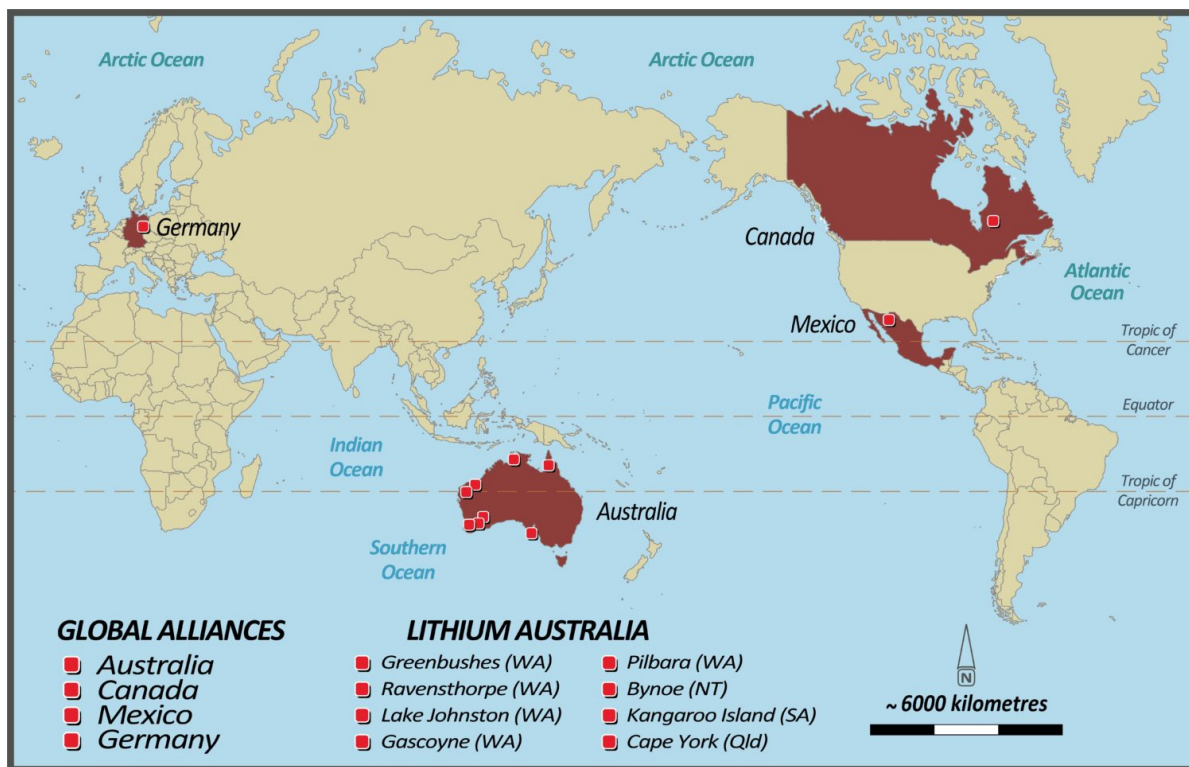
Lithium Australia closing the loop on the lithium production cycle

Lithium Australia NL (ASX: LIT) is an Australian lithium project generator and lithium extraction technology provider.

Western Australia is tipped to produce more than half of the world's lithium supply by the end of this year (2018), as new mines come online and the world's appetite for the materials used to make lithium ion batteries for electric vehicles grows.

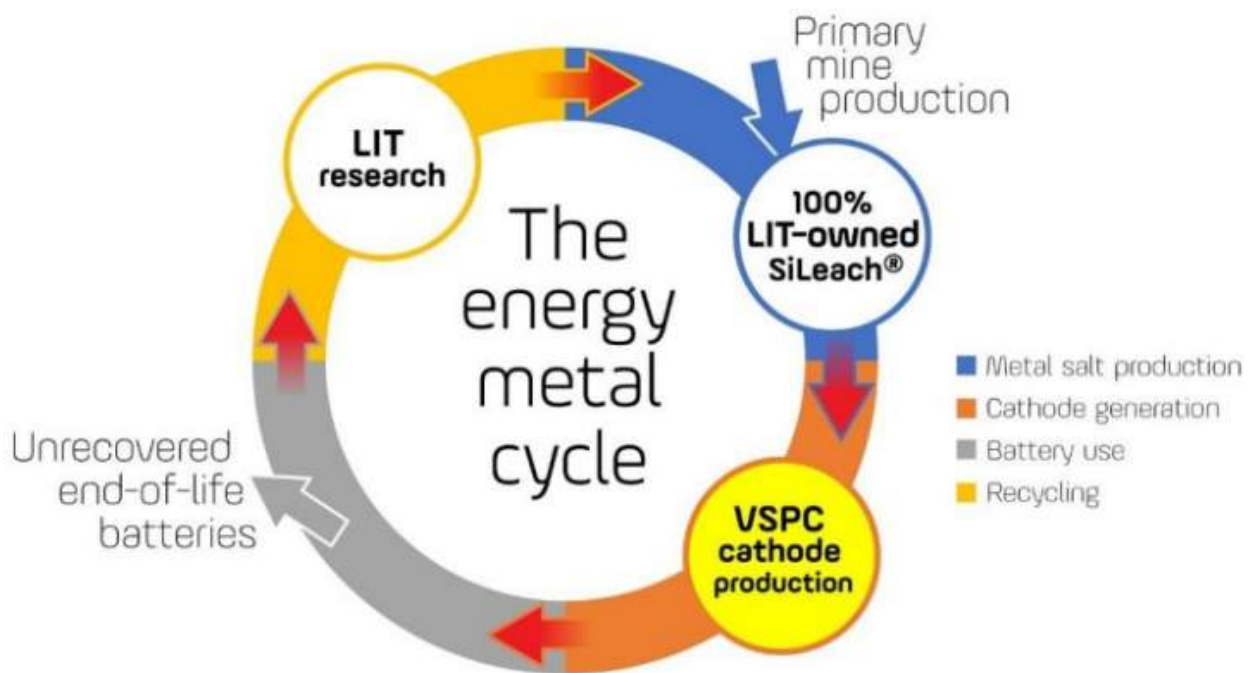
Lithium Australia has projects and alliances in 4 countries including Australia, where they have projects in 3 states and the Northern Territory. The Company has established a regional footprint in Western Australia's rapidly emerging, world-

class, lithium province in the Pilbara region.



Lithium Australia's worldwide projects

Lithium Australia's flagship technology is SiLeach®. It is a superior processing technology that doesn't need roasting (so less expensive processing) and is capable of extracting lithium from silicates. In the past those silicates were thrown away and still are, that's because there was inadequate technology to produce at a profit. Lithium Australia has solved this problem by developing the SiLeach® process.



The SiLeach®. process

The Company have a 50/50 agreement with Pilbara Minerals Limited (PLS) with the aim of producing lithium carbonate or lithium hydroxide from a SiLeach® processing plant fed by PLS's spodumene concentrate. SiLeach® is an unparalleled processing technology that efficiently digests and recovers all significant metal values from the minerals treated. This also enables the Company to take advantage of existing infrastructure that PLS already have in place such as gas, power, water, roads and permits. Managing Director Adrian Griffin stated: "We are all about closing a loop and making sure a lot of these materials that otherwise wouldn't get processed, and when they do get processed, actually stay in their manufacturing cycle."

In recent weeks the company applied for two global patents relating to the production and recovery of lithium phosphate and lithium sulphate from lithium-bearing silicates. The enhancements will reduce capital and operating costs and improve product quality. Adrian Griffin added: "For us it is

the silver bullet because potentially it reduces capital costs and operating costs, so that's quite significant".

In June 2018, Lithium Australia purchased the Sadisdorf Lithium/Tin Project in Saxony, Germany from Tin International AG. The inferred resource at Sadisdorf in Germany now stands at 25 million tonnes grading 0.45% lithium. Lithium Australia has found 'extensive' copper vein systems at their Eichigt project in Germany, discovering not only copper but lithium and cobalt within the vein. Recent samples have included grades of 1.5% cobalt, 0.5% copper, and 0.7% lithium. Lithium Australia's purchase of Sadisdorf further aligns it to the European EV industry.

Lithium Australia's subsidiary, VSPC (an acronym for the 'Very Small Particle Company'), can 'tailor' cost-effective cathode formulations for lithium-ion (Li-ion) batteries, and other complex metal oxides for use as catalysts in the automotive and minerals processing industries, and as components of solar photovoltaic and fuel-cell electrodes, electronic displays and many other applications. Market forecasts conservatively project that demand for the cathode materials in Li-ion batteries will exceed US\$10 billion by 2025.

Lithium Australia has a market cap of AU\$ 42.8m.

The Company has grown its resource base and developed a world-class processing technology called SiLeach®. The group is developing the capabilities to capitalize on all major sectors of the lithium supply chain and in so doing closing the loop in the lithium production cycle. Lithium Australia has made substantial ground in the last 12 months in achieving its goal of developing an integrated lithium company. This is definitely a stock to watch.

Nano One is About to Change the Lithium Space

Since we last covered the developments over at Nano One Materials Corp. (TSXV: NNO) ("Nano One") the company has completed construction on its pilot plant, and results have far exceeded expectation. For those that don't yet know, Nano One is about to change the lithium space completely with the patented ability to chemically manufacture cathode materials for lithium-ion batteries that last more than twice as long as products currently on the market and at considerably lower cost.

The pilot results announced on 26th June reveal that lithium ion cathode materials that meet Nano One's processing and battery capacity targets has been demonstrated at a scale of 100-times that of laboratory production. Proof-of-concept is now in the bag, and we can look forward to a rapid advance from these modern pioneers.

Hype surrounding electric vehicles has driven lithium prices up by three times what they were only 15 years ago, and the market is currently expressing a great need for lithium hydroxide supply (the form required for current cathode technologies), leading juniors all over the world to scramble to produce the value-added material.

Nano One have sidestepped the commotion with their chemical assembly process which makes it perfectly feasible to create a stronger and more powerful cathode from lithium carbonate. Similar methods are used in research, and in industries in which only small volumes are required, but, generally, these are too costly, complex and impractical for the high-volume production required for batteries.

The vast majority of today's industry uses a mechanical

technique to process raw materials into fine powders over many stages, sometimes in the presence of aggressive chemicals, high heat and pressure. For batteries, this impacts the structural integrity of the material, which in turn severely reduces the quality of the end product.

Nano One's technology differs from existing methods because it enables the quick assembly of inexpensive raw materials at mild temperatures under atmospheric pressures using simple and scalable equipment. The fact that the process removes the need for cobalt is not only a significant cost-saver, but will send a sizeable ripple through the tech-metals market. The ramifications of this technology are far reaching to say the least, and I'm expecting the company to be disrupting a number of sectors in the coming years.

And really, this is just the beginning; high-volume nanoscale production is a sort of holy grail of modern technological development. The company's primary test phase product may be battery-focused, but this will simply provide them with the launchpad they need to develop the process to suit a myriad of industries; something the company assures us they could achieve with relative ease.

Nanostructuring can improve a material's properties, such as electrical and thermal conductivity, optical behavior, dielectrics, heat resistance, stiffness, strength and resistance to wear. Everyday applications include the strengthening of implants and concrete, 3D-printing, drug delivery, weatherproofing, coatings, UV protection and energy storage. These applications are currently severely limited by the costs of production, and every single one represents a viable opportunity for Nano One to move into.

Much confidence has been expressed in the project so far in the form of state support, the most recent payments totaling around C\$4m. The cathode market is currently worth around \$3bn and is projected to grow to over \$10bn by 2025. Clearly, Nano

One have a serious future ahead of them, but even over the next few years the company should realise solid returns from their work on the global problem of a better battery, especially now that scalability has been demonstrated.

Neometals CEO on Partnerships with Ganfeng Lithium, Mineral Resources and the Lithium Market

Chris Reed, Managing Director of Neometals Ltd. (ASX: NMT) in an interview with InvestorIntel Editor Peter Clausi discuss lithium research and development (R&D). This interview focuses on Neometals' Mt. Marion Lithium Project and their two owned R&D labs, located in Buffalo, U.S.A and Montreal, Canada. Chris shares that Neometals' has partnered with Ganfeng Lithium "as a large equity partner and offtaker", and with Mineral Resources, as a project developer, for their Mt. Marion Lithium Project.

Peter Clausi: Neometals has had a fascinating year. You had your finger in a lot of different metal pies, but right now you're focusing on lithium.

Christopher Reed: We're producing lithium from the Mt. Marion lithium mine. We've got a small interest in that. It's the world's second largest source of lithium feedstocks. We're now concentrating our efforts towards down streaming our share of production in a couple of years' time. We've developed some Lithium-Titanate anode, which is another step down. Then we've developed some lithium battery recycling technology,

essentially urban mining the lithium batteries at the end of life.

Peter Clausi: Let's talk about Mt Marion. What stage of production is it at?

Christopher Reed: Mt Marion has had 3 shipments away. The fourth shipment leaves this month. The ramp up is going very well. We'll produce at full capacity about 400,000 tons of concentrates containing about 50,000 tons of lithium carbonate equivalent.

Peter Clausi: Do you own the entire project, part of it, or a joint venture?

Christopher Reed: We've sold down parts. We brought in two big partners. We have Ganfeng Lithium as a large equity partner and offtaker and Mineral Resources, who are a leading Australian project developer.

Peter Clausi: You're getting revenue from that and then in the middle you have your own research and development team that's looking at other applications.

Christopher Reed: Correct. Actually a lot of it is done in Canada. We have an R&D lab in Montreal. Initially we came to Montreal as part of the titanium project because Quebec has very large resources of hard rock titanium.

Peter Clausi: Right.

Christopher Reed: We have a small facility down in Buffalo, where we do the lithium electrolysis. That's a technology that we're hoping to commercialize to produce lithium hydroxide from our lithium feedstocks...to access the full interview, [click here](#)

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