

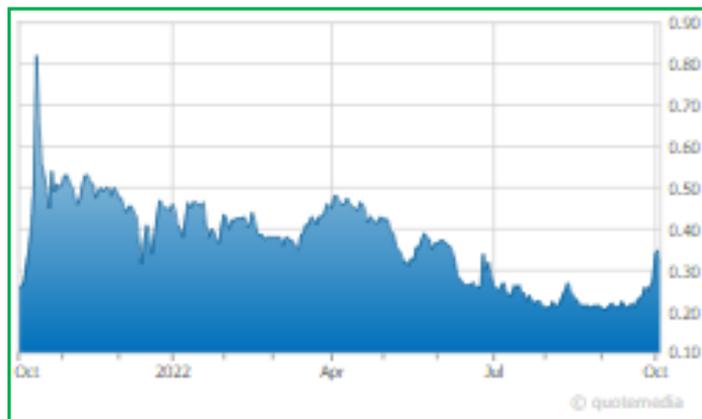
# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

*the independent information and advisory publication on investing in Strategic Metals & Rare Earths*

Special Situation – October 2022

[www.argentalithium.com](http://www.argentalithium.com)



### Argentina Lithium & Energy Corp. (C\$ 0.29)

TSX.V : LIT  
OTC : PNXLF  
FSE : OAY3

H+L prices (12 months) : C\$ 0.96 – 0.19

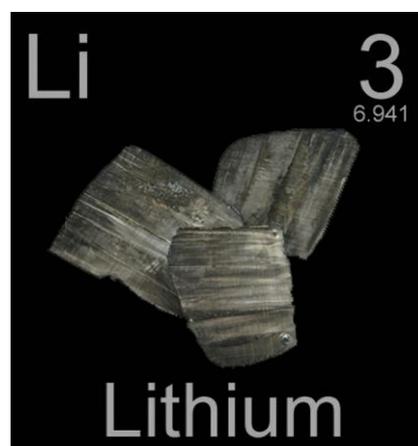
Net issued shares : 90.79 million  
Fully diluted : 131.07 million

Market capitalization : C\$ 25.9 million  
(US\$ 18.9 million)

**2022/2023 price target : C\$ 0.80**

### Company profile

Argentina Lithium & Energy's ("Argentina Lithium") is focusing its lithium exploration activities on the "Lithium Triangle", which, including parts of northern Argentina, produces about half of the world's lithium and out of the three countries comprising the Lithium Triangle, Chile, Argentina and Bolivia, Argentina hosts approximately 60% of the known lithium reserves. Most lithium in this area is in Salt lake ("salar" brines).



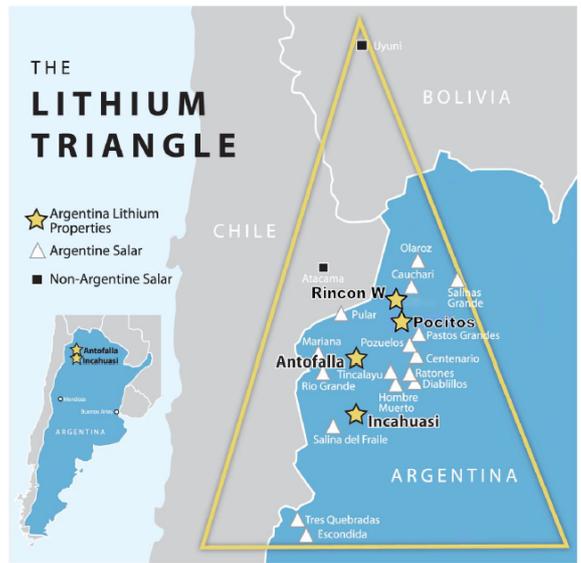
Argentina produces approximately 8% of the world's lithium, making it one of the top five global producers (2019). The country's government is encouraging renewable energy initiatives, including having set the conditions for the delineating and advancing new lithium resources in the country.

Argentina Lithium & Energy believes that a combination of high geological potential and a promising demand climate have set new lithium resources in Argentina.

Argentina produces ~10% of the world's lithium and is a top-5 global producers, exploring the prolific Lithium Triangle which produces ~50% of the world's lithium.

## Exploring the Prolific Lithium Triangle

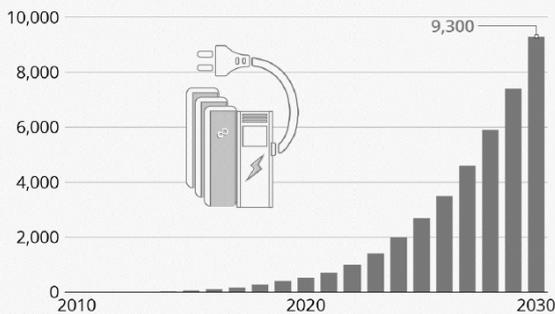
- Lithium Triangle produces ~1/2 of the world's lithium
- Hosts ~60% of known lithium reserves
- Most lithium is in salt lake ("salar") brines
- Argentina produces ~10% of the world's lithium and is a top-5 global producer (2020)
- In close proximity to rail, water, roads and power
- Argentine government is encouraging foreign investment and renewable energy initiatives



## The Lithium Battery – Fueling the Green Revolution

### High Demand for Lithium-Ion Batteries

Cumulative lithium-ion battery demand for electric vehicle/energy storage applications (in GW hours)



Source: Bloomberg



<https://www.statista.com/chart/23808/lithium-ion-battery-demand/>

statista

### Biden's EV plan would create bull conditions for energy metals — report

MINING.com Editor | April 9, 2021 | 12:42 pm Battery Metals Intelligence Top Companies China Europe USA Cobalt Copper Lithium

### Shift in UK's EV policy to boost battery material demand

The British government has brought forward a ban on the sale of internal combustion engine cars in a move which will boost demand for battery materials, including lithium.

February 04, 2020 15:31 PM By William Clarke



## PROJECTS



Four under-explored projects in the heart of the Lithium Triangle in Argentina. Brine mapping and drilling planned for 2022.



ARGENTINA

### RINCON WEST

- 2,491 ha under option; 460.5 ha 100%-held
- Adjacent to Rincon Ltd. and Argosy Minerals lithium projects with proven reserves
- Excellent infrastructure including international highway, electric power corridor
- First drill program, 5 holes, underway
- 1<sup>st</sup> hole results positive: intersected a 70m permeable interval with 225 to 380mg/L Lithium

### POCITOS

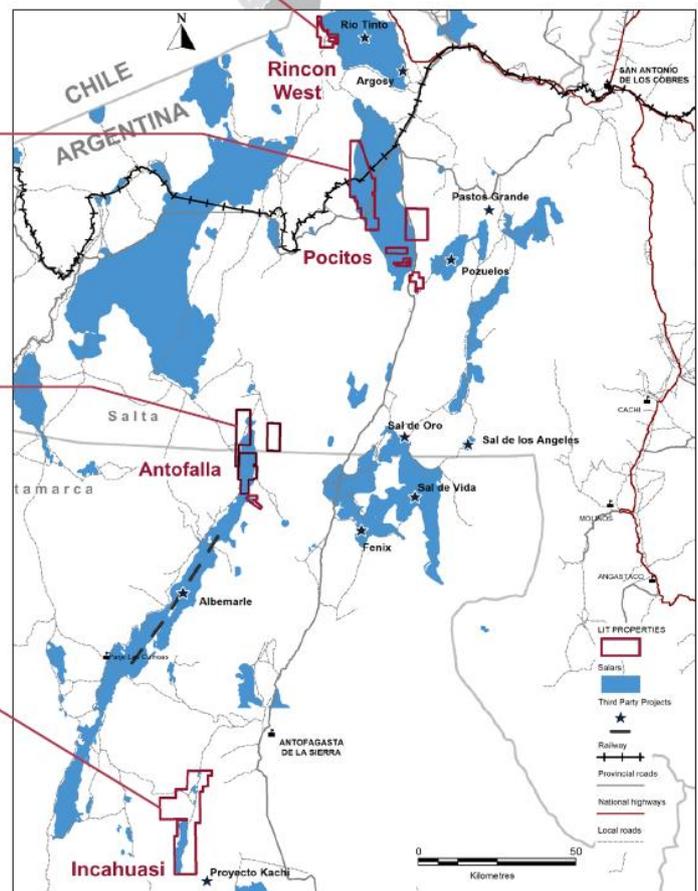
- +26,000 hectares under option
- Excellent infrastructure: International railway to Pacific ports crosses the property; Provincial highway and major gas pipeline nearby
- Limited historic exploration

### ANTOFALLA NORTH

- 9,080 hectares of 100% held claims + nearly 6,000 hectares under option
- Major lithium producer Albemarle has large holdings starting 500m to the south
- Geophysical survey identified high-conductivity targets in upper 100 metres, additional targets at depth

### INCAHUASI

- 100% interest in over 25,000 hectares
- Located north of Lake Resources' Kachi Project
- Maximum values 409 mg/L lithium and 1.56% potassium recovered in near-surface sampling (to 8m depth)
- 4 drill-holes confirmed lithium-bearing brines (average to date 109 mg/L Li, 6718 mg/L K)



- 2,491 ha under option and 460.5 ha 100%-held
- 3,800 masl elevation in ultra-arid environment
- Adjacent to Rincon Ltd. and proximal to Argosy Minerals, with proven reserves
- Mature salar development with halite deposits drilled to 400m depth
- International highway to Pacific ports & major electrical power corridor just north of the salar

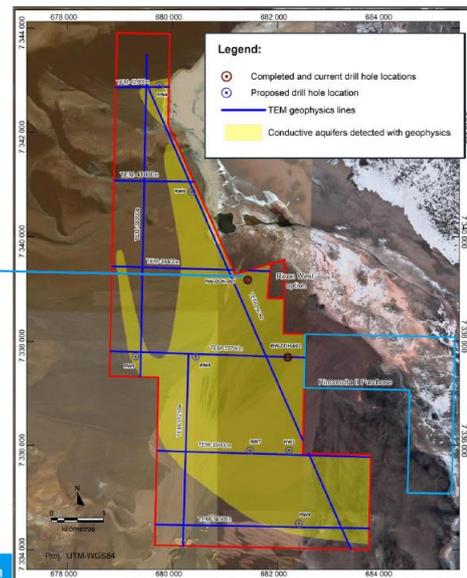


Rincon W property outline in red and surface projection of conductive unit (i.e. potential brines) from TEM survey in yellow

- 5-hole program underway
- 1<sup>st</sup> hole completed – positive results including moderate to high grades of lithium
- Confirms that lithium brines in the adjacent resources extend beneath LIT property

**RW-DDH-001:**

- Permeable **70m interval**
- Lithium grades ranging from **225 to 380 mg/litre**
- Potassium grades ranging from 4,035 to 7,231 mg/litre



## ► Positive lithium brine values from the second diamond drill hole at Rincon West in Salta Province, Argentina

On October 3, 2022, [Argentina Lithium & Energy](#) (“[Argentina Lithium](#)”) reported positive lithium brine values from the second diamond drill hole at its **Rincon West Project**. The Rincon West project covers 2,9511.5 hectares of the salar basin, located west of the adjacent Rincon Project owned by Rio Tinto.

The fourth exploration hole is currently in final steps to completion. The brine analytical results from the second hole have been received and are reported below.

*“The results of the second exploration hole demonstrate remarkably consistent lithium grades, when compared to the first. RW-DDH-002 results reveal an impressive concentrated brine aquifer, tested with packer sampling over ~77% of the interval between 182 and 305 metre depths, with lithium values ranging from 337 to 367 mg/litre. Additional concentrated brines with lower lithium contents were also recovered from above this 118 metre interval. Drilling thus far validates that the adjacent lithium salar extends under our properties, with consistently high lithium grades. The drill program will continue as planned with the aim of delineating an initial lithium mineral resource.”* stated Miles Rideout, V.P. of Exploration.

The results of the brine analyses and the respective intervals from which brine was recovered are shown in Table 1. Drill collar information is presented in Table 2.

Sample interval (m)			Sample method	Li	K	Mg	Density
top	bottom	Thickness					
112	155	43	single packer	247	4266	2196	1.144
182	207	25	single packer	361	6827	3050	1.2
208	239	31	single packer	337	6503	2844	1.19
255	267	12	single packer	366	7103	3053	1.204
287	293	6	single packer	362	7036	3028	1.21
296	305	9	single packer	367	7068	3047	1.21
61.3	65.2	3.9	double packer	22	323	256	1.016
67.3	71.2	3.9	double packer	68	1092	1029	1.05
154.3	158.2	3.9	double packer	122	2425	1093	1.076
175.3	179.2	3.9	double packer	243	4462	2007	1.146
217.3	221.2	3.9	double packer	348	6797	2956	1.19

*\*Drill hole RW-DDH-002 was drilled vertically to a depth of 323m below surface; the salar strata are believed to be flat lying resulting in reported intervals approximating true thickness*

*\*Drill hole RW-DDH-002 was drilled vertically to a depth of 323m below surface; the salar strata are believed to be flat lying resulting in reported intervals approximating true thickness*

Hole ID	East	North	Elevation	Azimuth	Dip	Depth
	UTM Zone 19S (WGS84)		(m)	(deg.)	(deg.)	(m)
RW-DDH-002	682198	7337700	3761	n/a	90	323

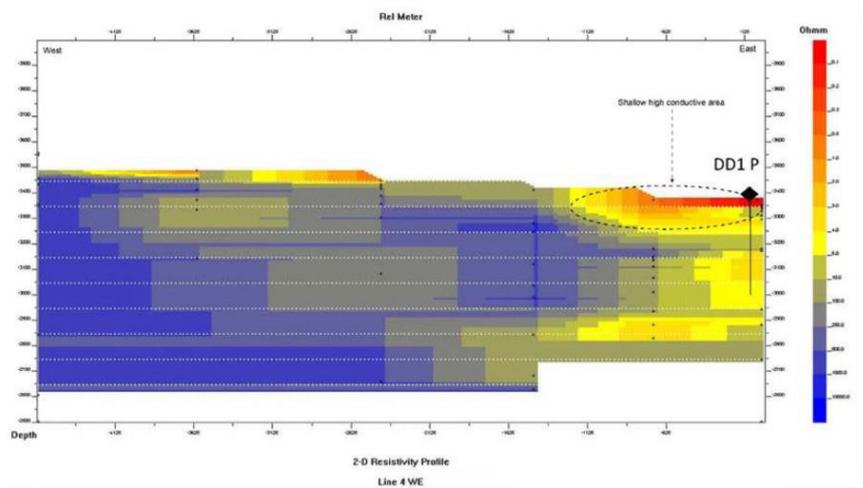
Also on October 3, 2022, [Argentina Lithium](#) announced two new option agreements at lithium salars in Argentina. The Company has entered into an option agreement with a local vendor to earn a 100% interest in four contiguous mine concessions totaling 791.3 hectares at the **Salar de Rincon** and also entered into a second option agreement with a second local vendor to earn a 100% interest in a single mine concession measuring 843.5 hectares at the **Salar de Antofalla**.

[Argentina Lithium](#)’s **Rincon West Project**, includes both 100% held and optioned properties, which now totals 3,742.8 hectares with the **Paso de Sico** acquisition and the **Antofalla North Project**, located within **Salta** and **Catamarca provinces**, includes both 100% held and optioned properties. With the Volcan acquisition, the Company controls 15,830.5 hectares at **Antofalla** for exploration and development.

- ~ 15,000 hectares of claims both wholly owned and optioned
- 3,350 masl elevation in arid environment
- <20 kilometres west of Argentina's largest lithium producing operation at Salar de Hombre Muerto
- Major lithium producer Albemarle has large lithium tenement holdings starting 500m to the south

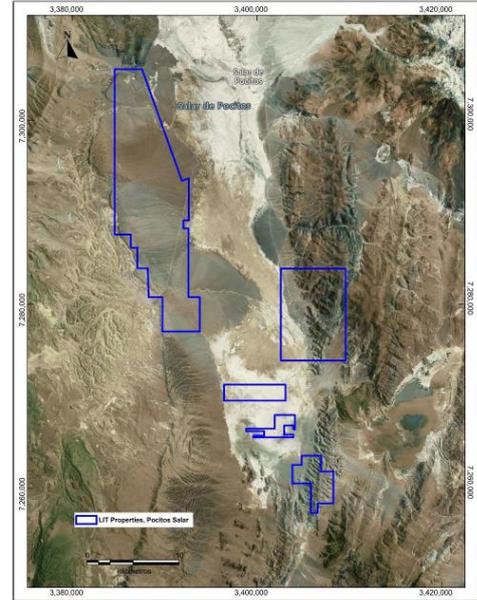


- 2018 CSAMT geophysical survey identified high-conductivity targets in upper 100 metres, additional targets at depth
- Work plan:
  - 2022: 110 line-km of Transient Electromagnetic soundings to delineate brine deposits
  - 2023: Up to 6 diamond drill holes



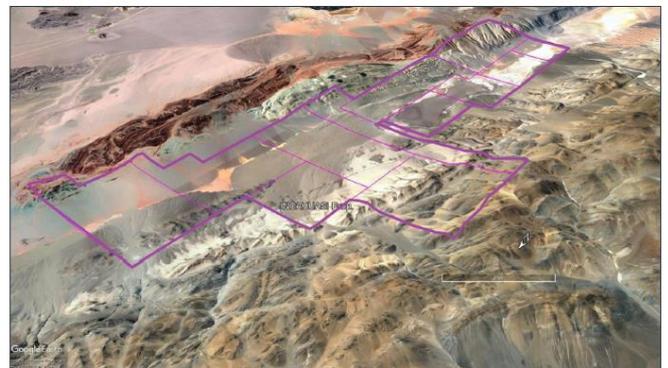
## Pocitos Project

- +26,000 hectares under option
- 3,700 masl elevation in arid environment;
- International railway to Pacific ports crosses the property;
- Provincial highway and major gas pipeline located close to the property;
- Limited historic exploration
- Work plan:
  - 121 line-km of Transient Electromagnetic soundings to detect and delineate brine concentrations for testing
  - Up to 4 drill holes in first phase



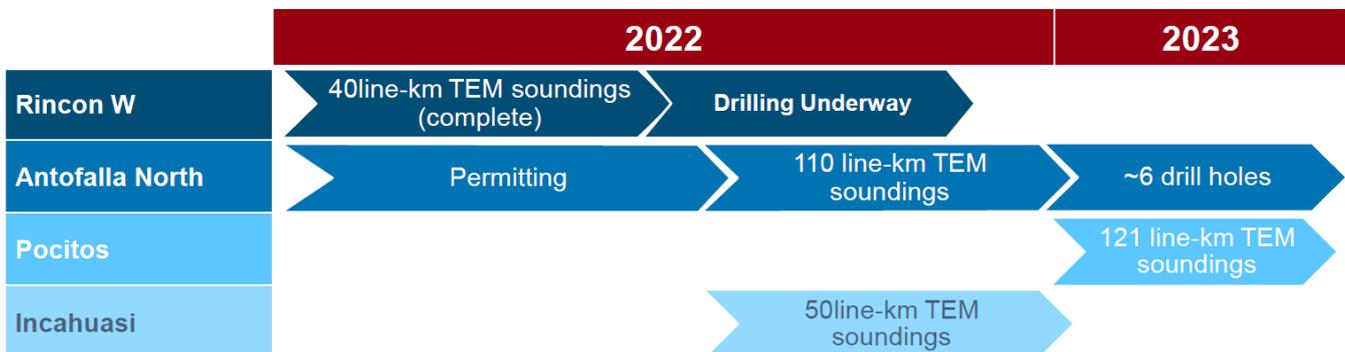
## Incahuasi Project

- 100% interest in over 25,000 hectares
- 3,260 masl elevation in arid environment;
- 34 km from town of Antofagasta de la Sierra, Catamarca
- Located north of Lake Resources' Kachi Project
- Maximum values 409 mg/L lithium and 1.56% potassium recovered in near-surface sampling (to 8m depth)
- 4 drill-holes confirmed lithium-bearing brines (average to date 109 mg/L Li, 6718 mg/L K)
- 2022 work plan:
  - 50 line-km of Transient Electromagnetic soundings to detect & delineate new brine concentrations for testing



The Grosso Group has been involved in four major mineral discoveries in Argentina

- Gualcamayo Au (Mineros SA)
- Chinchillas Ag-Pb-Zn (SSR Mining Inc.)
- Navidad Ag-Pb (Pan American Silver Corp.)
- Amarillo Grande U-V (Blue Sky Uranium Corp.)



The Grosso Group management company has been a **pioneer of mineral exploration in Argentina** since 1993.

The Group has built a **vast network** of industry and government contacts, giving its Member Companies a distinct advantage in the acquisition, exploration and development of mineral projects.

The Grosso Group maintains a strong focus on the environment, the communities, and the cultures in the areas where it operates.



## **Management**

**Nikolaos Cacos, M.I.M., President & CEO, Director**, has three decades of management expertise in the mineral exploration industry. He holds extensive experience in administration and providing strategic planning for public companies. Mr. Cacos serves as director and officer of several publicly traded companies. He holds a Master of International Management degree from Heidelberg, Germany, and a Bachelor of Science degree from the University of British Columbia.

**Darren C. Urquhart, C.A., Chief Financial Officer and Corporate Secretary**, is a Chartered Accountant with more than 10 years of experience working in both public practice and industry. Mr. Urquhart is presently engaged in public practice accounting offering CFO and accounting services to TSX Venture Exchange listed exploration companies in the Vancouver area. He worked as a senior tax accountant with Lohn Caulder Chartered Accountants and more recently served as a consultant to an international private equity company.

**Joseph Grosso, Director, founder and president of Grosso Group Management**, became one of the early pioneers of the mining sector in Argentina in 1993 when mining was opened to foreign investment, and was named Argentina's 'Mining Man of The Year' in 2005. His knowledge of Argentina was instrumental in attracting a premier team which led to the acquisition of key properties in Golden Arrow's portfolio. Mr. Grosso has successfully formed strategic alliances and negotiated with mining industry majors such as Barrick, Teck, Newmont, Viceroy (now Yamana Gold) and Vale S.A., and government officials at all levels. His specialty is financing, negotiations, corporate and marketing strategy, and he was an early and passionate adopter of best practices in environmental protection and socio-economic development through mineral exploration.

**Miles Rideout, BSc. with Honor Certificate in Geophysics, Vice President Exploration**, has 34 years of experience in advanced exploration practice, responsible business management, scientific team building, and mining integration with local communities and indigenous peoples. In recent positions, Mr. Rideout has directly managed the acquisition and exploration of dozens of lithium properties in northern Argentina. Previously he served 5 years as CEO of Latin American Minerals, advancing gold and diamond projects in Paraguay, and 23 years with Quantec Geoscience, where he initiated operations in South America and managed subsidiaries in several countries. He has experience in mine permitting, financing, construction, and operations (implemented the first operating mine in Paraguay). He participated in the discovery of several world-class copper-porphyry deposits including the Collahuasi and Ujina copper-porphyry deposits, Veladero epithermal gold deposit, and Navidad VMS/epithermal silver deposit.

**Dr. John Gammon, Director**, has 40 years of experience in mineral exploration and management, including international positions with Falconbridge, Assistant Deputy Minister Mines and Minerals with the Government of Ontario and, since his retirement, as ADM as a consultant working with industry, governments and universities. In addition to Dr. Gammon's mineral exploration experience he has also spent a significant amount of time on aboriginal community and environmental issues. His knowledge of the Spanish language and South American culture and societies brings a depth, in addition to his industry experience, that can assist the Company with the advancement of its projects in Argentina.

**Dr. David A. Terry, PhD, P.Geo., Director**, is a professional economic geologist, senior executive and corporate director with more than 25 years' of international experience in the mineral resources sector. He has played key roles in the successful acquisition, exploration and development of a number of precious and base metal deposits, primarily in North and South America, and has expertise in advanced project evaluation, M&A, corporate finance, and design and execution of effective exploration programs. In addition, Dr. Terry has experience in the exploration and evaluation of lithium and potassium brine projects.

In the course of his career Dr. Terry has held executive positions and directorships with a number of publicly-listed and private mineral resource companies. He currently serves as a director of Golden Arrow Resources, Blue Sky Uranium., Great Bear Resources and as President and CEO of Comstock Metals. He has also worked with a number of senior mining companies including Boliden, Westmin Resources, Hemlo Gold Mines, Cominco and Gold Fields Mining.

**Connie Norman, Corporate Secretary**, with over 18 years of experience within the public company sector providing Corporate Secretarial and Regulatory Compliance services.

## Finance

<b>Consolidated Interim Statement of Financial Position (in C\$ million)</b>			
	<b>June 30 2022</b>	<b>December 31 2021</b>	
<b>Assets</b>			
<b>Current assets, of which:</b>	<b>4.33</b>	<b>6.50</b>	
<i>Cash</i>	4.22	6.43	
<b>Non-current assets</b>	<b>3.11</b>	<b>2.06</b>	
<b>Total Assets</b>	<b>7.44</b>	<b>8.56</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>	<b>1.07</b>	<b>0.98</b>	
<b>Non-current liabilities</b>	---	---	
<b>Total Liabilities</b>	<b>1.07</b>	<b>0.98</b>	
<b>Shareholders' equity</b>	<b>6.37</b>	<b>7.58</b>	
<b>Net Cash flows</b>			
<b>Used in operating activities</b>	<b>(1.86)</b>	<b>(0.38)</b>	
<b>Used in investing activities</b>	<b>(0.39)</b>	<b>(2.99)</b>	
<b>Generated from financing activities</b>	<b>0.04</b>	<b>(0.87)</b>	
<b>Cash at the end of June 30, 2022: C\$ 4.22 million</b>			

On August 11, 2022, **Argentina Lithium** closed a non-brokered private placement consisting of 6.125.000 units at a price of C\$ 0.20 per unit for gross proceeds of ~C\$ 1.24 million. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at C\$ 0.38 per share for two years from the date of issue.

The proceeds of the financing will be used in part to complete the acquisition of Rinconcita II. The balance will be used for general working capital on its properties in Argentina.

#### **Investment comments:**

**Argentina's** new government is encouraging foreign investment and renewable energy initiatives. The combination of high geological potential and a promising investment climate have set the conditions for delineating and advancing new lithium resources in Argentina.

**The “Lithium Triangle”, including parts of the high plateau Puna region located in north-western Argentina, produces about half of the world’s lithium and hosts approximately 70% of the known lithium reserves. Argentina produces approximately 10% of the world’s lithium, making it the fourth largest producer, next to Australia, Chile and China. The country holds the world’s second-largest known resources with 17 million tonnes.**

**Argentina Lithium** has a 2022 work plan for all its 4 projects, financially supported by the gross proceeds of its recent private placement to the amount of C\$ 1.24 million.

Based on **Argentina Lithium's** strategy to further expand its lithium holdings, the Company, at a depressed market capitalization of around US\$ 18.9 million, and Argentina's economy envisaged to benefit from its free-market reform policy, to be supported by financial help of the IMF, the Company, in my view, offers a high investment leverage potential.

**My 2022/2023 price target is C\$ 0.80.**