

# Argentina Lithium & Energy President & CEO Nikolaos Cacos Talks With Seeking Alpha's Trend Investing

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Summary

Nikolaos Cacos discusses what the advantage is of having the Grosso Group backing Argentina L&E.

Nikolaos Cacos discusses the positives, current activity, and next steps at the Company's 4 lithium projects in Argentina (Rincon West, Antofalla North, Pocitos and Incahuasi).

Nikolaos Cacos discusses the main catalysts for the company, their strategy & goals, and shares his thoughts on the Company's valuation.



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**Argentina Lithium & Energy [TSXV:LIT] (OTCQB: [OTCQB:PNXLF](#))**

Argentina Lithium & Energy [TSXV:LIT] (OTCQB:[OTCQB:PNXLF](#)) ("Argentina L&E" or "LIT")) is a Canadian company focused on their 4 lithium projects in Argentina.

## Location map showing Argentina L&E's 4 projects in Argentina (Rincon West, Antofalla North, Pocitos and Incahuasi)



### 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



[Source](#): Company presentation

## Interview with Argentina Lithium & Energy's President & CEO

**Please explain to investors what the advantage is of having the Grosso Group backing Argentina L&E, particularly with your projects in Argentina.**

The Grosso Group, including Argentina Lithium (LIT.V; PNXL.F.OTC), have earned the trust and respect of the Argentine people, officials, mining professionals and mineral concession holders. This comes from 29 years in-country, operating within the Argentine culture at the village and regional levels – while making four world-class discoveries, plus now LIT's lithium discovery this year.

These are advantages money can't buy when it comes to property access, property research, property negotiation and acquisition, exploration and development. The advantages include funding for projects.

In late 1992, the Argentine government passed legislation approving foreign mineral exploration.

Joseph Grosso, an entrepreneur from Vancouver, was traveling in the country at the time. He realized Argentina had no mining industry. There was one operating lead-zinc mine and one gold mine. There was no exploration, no assay lab, no exploration equipment, no expertise.

Next door, Chile already had large operating mines just across the 3600-km Andes-mountain border with Argentina. The intrusives that mineralized these deposits clearly did not stop at the border. Salars were on both sides at high-altitude, but Chile's were producing.

Mr. Grosso decided to bring professional exploration to Argentina. He funded a team of exploration geologists who applied international exploration standards in Argentina. He imported professional-grade exploration equipment. He established an office in San Juan province (now in Mendoza) in the foothills of the Andes, where the Grosso Group is still based.

The team started staking and acquiring properties in 1993. Still, 30 years later, Grosso Group companies control more than 30 properties throughout the country.

The Grosso Group has made five discoveries thus far, all in Argentina:

**1998**, Gualcamayo Gold, acquired by Yamana in 2001, mined at 200G oz/year. Sold by Yamana to Mineros SA, based in Colombia, still in production today.

**2002**, Navidad Silver Project, acquired by Pan American Silver, one of the largest silver deposits globally with 1.4 billion oz AG-equivalent. It is being worked back toward production by Pan American.

**2012**, Chinchillas Silver Project, acquired by SSR Mining in 2019, in production

**2012**, Amarillo Grande uranium discovery by sister company Blue Sky Uranium, still increasing resources, the largest uranium deposit in nuclear-savvy Argentina.

**2022**, Rincon West lithium discovery by Argentina Lithium, adjoining Rio Tinto at the Rincon Salar, first resource statement targeted for March - April 2023, in four months.

Grosso Group companies have continued to deliver through eight changes in government in Argentina. Now that mining and minerals are established as a crucial source of foreign exchange credits, we are known and respected by both officials and townspeople for delivering economic deposits, gold and silver, with uranium and lithium, potentially copper, in progress.

If the person who is mining minister changes, it hasn't mattered. We are recognized, we are local, we are trusted. This is not the case with the new companies that have been coming into the country in recent years.

Mr. Grosso was awarded as the 'Mining Man of the Year' in 2005 in Argentina. Our name and staff are known throughout the towns and villages in the foothills of the Andes. We are respected for recognizing their values and culture and we continue to do so. This was all established by Joe Grosso from the start.

In the salars, we have acquired project areas that Chinese companies had been pushing for and willing to pay up for. We have established trust among the property holders. We have a generational advantage.

Grosso Group companies have an advantage funding our projects. Shareholders give us a little bit more room to operate. Shareholders stay with us. We, of course, have to deliver. We have the leeway to do it, and the funds.

We started receiving calls in 2016 from the consulates and ministers in Chile and Paraguay. They invite us to review properties that they believe have merit. Why? They see our longer-term success in Argentina, operating within the regional culture. We are invited.

Investors will see these advantages in action in our descriptions below.

**Please highlight the main positives of the Rincon West Project, Argentina, including the current activity and next steps.**

**Rincon West Project (page 9 in the company presentation)**



**ARGENTINA**  
LITHIUM & ENERGY

## Rincon West Project

- 3,282 ha under option and 460.5 ha 100%-held
- 3,800 masl elevation in ultra-arid environment
- Adjacent to Rio Tinto 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



[Source](#): Company presentation

Argentina Lithium made a discovery of lithium in brine in July this year at the Rincon West project adjoining Rio Tinto on the southwest portion of the Rincon salar. We've now drilled and reported four holes.

These results demonstrate that the lithium-bearing brine on Rio Tinto's project next door extends under surface onto Rincon West. Drilling results show very similar lithium and other mineral values.

Rincon West is a basin with a large project area, the equivalent of 6 km by 6 km. There's plenty of room for a good-sized resource.

Holes #5, a 2-km. step-out to the west into the basin, and #6 have been drilled and are in for assay. Holes 7 -9 are being drilled. We are permitted for 9 holes.

We will continue to drill, and plan to release a maiden resource estimate in early second quarter next year, in four months.

We have not yet performed Transient Electromagnetic Surveys, TEM soundings, on the eastern portion of Rincon West (known as Rinconcita II) or at Paso de Sico, our parcel at the north end of the Rincon salar. We will perform geophysical workups and then drill both of those areas early in the new year.

Rio Tinto's initial resource estimate, acquired from Rincon Mining for US\$825 million, is 5.8 mm tonnes LCE, M&I, grading on average 367 mg/L. Rio Tinto is drilling with five-plus rigs, has constructed and is operating a pilot processing plant on-site. We see them at work.

RIO is planning to use direct lithium extraction, DLE, for first production and is aggressively working toward initial production in late 2024. In addition to the environmental and major time advantages of DLE, the process is anticipated to also mitigate any issues from higher magnesium ratios at the Rincon salar.

In July, RIO signed an MOU with Ford Motor Company to supply lithium from Rincon. Clearly, RIO believes Rincon lithium-in-brine is highly producible.

As does Argosy Minerals, located in the SE area of the Rincon salar. They have completed first production of battery-grade lithium carbonate on-site and target producing at the rate of 2,000 tonnes/year by the end of Q2, 2023. Argosy's resource estimate is 245,120 tonnes LCE at a grade of 325 mg/L.

Results from our first four holes at Rincon West:

1. LIT's first drill hole – 1- 2 football fields from RIO's concession – assayed as follows:

<b>Interval in meters</b>	<b>lithium milligrams/liter</b>
36 m (75-111 m depth)	355
30 m (126 – 156 m depth)	252

In addition, several shorter intervals above and below the 75-meter to 156-meter depth graded 225 to 380 mg/liter.

2. The company's 2nd hole lies 1.8 km (1.2 miles) south of hole #1, also on RIO's border.

<b>Interval in meters</b>	<b>lithium mg/L</b>
83 m (182 – 305 m depth some zones not measured)	337 to 367

3. The company's 3rd hole lies 1.8 km south of hole #2, at the southern end of the concession, also on RIO's border, which is still expected to add to the resource estimate.

**Interval in meters          lithium mg/L**

54 m (299 – 353m depth) 152

4. The company's 4th hole is between holes #1 and 2 on RIO's border, the best hole to date.

**Interval in meters          lithium mg/L**

132 m (95 -227m depth) 334 – 382

So, Rio Tinto 367 mg/L. Argosy 325 mg/L. Lithium-in-brine at LIT's Rincon West salar is easily within this range. More results to follow shortly.

**Please highlight the main positives of the Antofalla North Project, Argentina, including the current activity and next steps.**

**Antofalla North Project (page 13 in the company presentation)**



## Antofalla North Project

- >15,800 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



Source: Company presentation

Argentina Lithium's Antofalla North Project, with 10,050 hectares, has a very large mid-grade resource in the basin to our south controlled by Albemarle; a deep basin where our historic geophysics demonstrates 500 m total depth; relatively low elevation (3350m above sea level); year-around road access and fresh water sources proximal to our properties.

*Note that the screen above on Antofalla shows 15,800 hectares, a screen which the company prepared in October. Since that time, we have ended a concession and also have 3,094 hectares in an area that is still unresolved in the mining register. So, LIT controls 10,050 hectares and expects to control an additional 3,094 hectares soon.*

Environmental permitting is in progress. We anticipate being able to perform more detailed geophysics and initiate drilling in the second quarter, 2023.

When Albemarle Corporation acquired their Antofalla Project, adjacent to us on the south, they acquired a resource of 2.22mt of lithium (11.8mt LCE) grading 350mg/l and 83mt of potash (KCl) grading 6,400mg/l. Albemarle has completed substantial work since then, using 4+ rigs most of the time, but has not updated the publicly declared resource.

Albemarle has identified the Antofalla basin as one of the largest potential lithium resources in Argentina, and they have focused on the central part of the basin. The southern portion of the Antofalla basin is unexplored because of lack of road access.

The northern portion of the basin, our Antofalla North, had been neglected because of a dispute of mining jurisdiction between the provinces of Salta and Catamarca. This dispute was officially resolved on May 11, 2022, when the two provinces signed an agreement to develop the conflicted area jointly.

LIT had anticipated this eventual agreement, and had acquired claims and options in the conflicted zone and the surrounding area. This area has always had immense technical merit, but the political issue was a disincentive to most explorers.

LIT had the contacts, resources and ability to negotiate the greater part of this area at Antofalla, securing both sides of the conflicted area months ahead of the final political agreement.

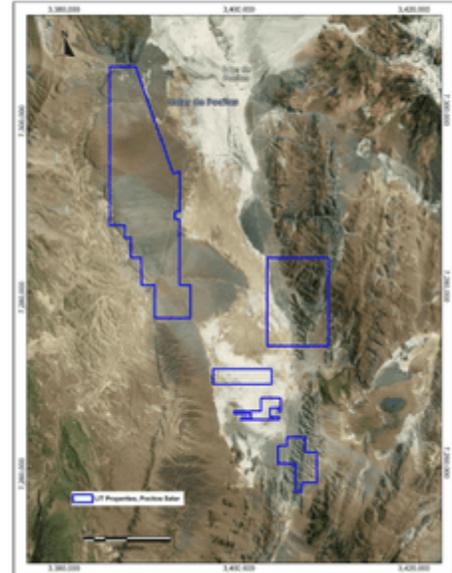
Argentina's largest lithium production is located in the adjacent basin, 25 km to our east at Hombre Muerto, with two multi-billion dollar lithium producers.

We are completing our environmental permitting on Antofalla North, for which we expect approval by Q2-2023. We will initiate our exploration with 110 line-km of Transient Electromagnetic Surveys in order to delineate likely brine aquifers.

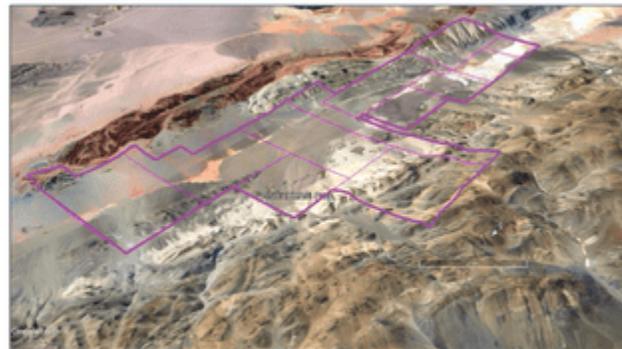
We will initiate our exploration drilling while the geophysics is on-going. We anticipate an initial first pass of drilling can likely be accomplished with 6 exploration holes. Properly defining the resource of the Antofalla North project will likely require an additional 14 drill holes, approximately 20 holes total. The large quantity of drilling is required because the area with resource potential is large.

**Please discuss the benefits of also owning the Pocitos Project and the Incahuasi Project in Argentina.**

- +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



- 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



Source: Company presentation

Early on, LIT recognized the long-term potential for lower-grade salars and has acquired almost 100% of the Incahuasi Salar in Catamarca, and approximately 20% of the immense Pocitos Salar in Salta. We accomplished these acquisitions at low cost, before the competition for properties intensified in these areas.

The lithium sector is in flux, with a strong trend to develop larger and lower-grade resources. This trend is driven by increasing commercial lithium price, rapid improvements in extraction technologies (DLE), and limited availability of lithium brine aquifers. It also helps that Argentina is officially promoting lithium development.

Competing lithium explorers are currently exploring and drilling production wells at Pocitos to prove new lithium resources in this basin.

Ganfeng is reported to be drilling a production well, or wells, at Pocitos, we have not seen a published account, and Power Minerals (earlier Pepinnini) is working on a resource calculation at Pocitos. Recharge Resources and Spey Resources are exploring there as well.

The Incahuasi Salar in Catamarca likely has similar potential but LIT holds virtually all of the salar, limiting possible contributions by neighbors. Lake Resources' Kachi project to our southeast is advancing to pre-production.

LIT is currently focused on exploring and developing our priority projects, Rincon West and Antofalla North. As this work moves to completion, we anticipate that market conditions will drive development at Pocitos and Incahuasi, due to their large potential resources, and where LIT holds commanding property positions.

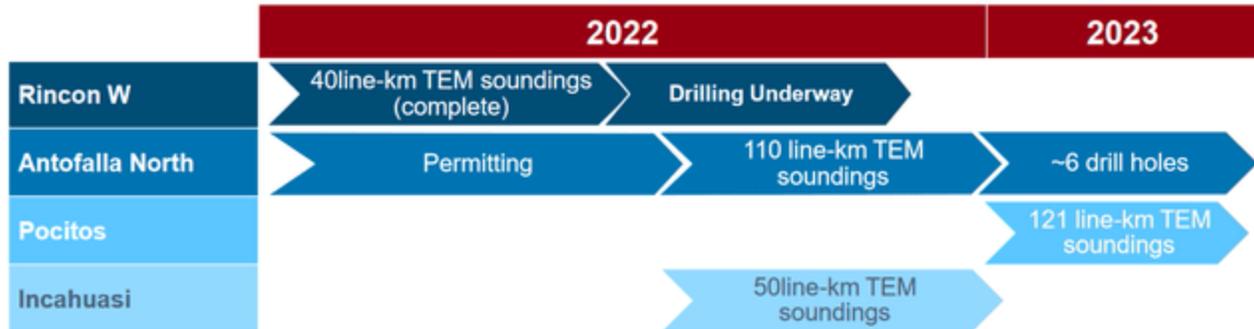
### **What do you see as being the main catalysts for the company in 2023 and 2024?**

Drilling results, resource definition and expansion

Next actions – each highly potential

1. Complete assays and report results from holes #5 and #6 at Rincon West.
2. Complete drill holes 7 – 9 at Rincon West and report results.
3. Prepare and report initial resource estimate for Rincon West, target March-April 2023.
4. Hold off Chinese, Australian, UK and North America suitors so resources can expand.
5. Complete geophysics and drill Rinconcita II -- the eastern part of Rincon West -- and Paso de Sico at Rincon North.
6. Reassess Rincon West and North, drill for expansion and higher quality resource.
7. Knowing the right people, keep an eye out for acquisitions of additional salar concessions.
8. Complete geophysics and drill Antofalla North neighboring Albemarle, summer 2023.
9. Continue drilling and expanding the most prospective areas of Rincon West and Antofalla North.
10. As the market develops, complete geophysics and drill concessions at Incahuasi and Pocitos salars.

The company has approx. US\$9 million cash with 128.5mm shares outstanding. Market capitalization is US\$28 million. We can deliver on these key next actions.



[Source:](#) Company presentation

**What is the company’s strategy and goals? Project generator or future Argentina lithium producer by say 2027? Do you plan to use DLE?**

We are passionate and relentless for discovery.

We are not interested in trying to produce lithium without a qualified partner.

We are professionals regarding resource expansion and development through to the time when the factors of production are known or mostly known. When we and other companies can recognize what is involved in achieving production, we are likely to look to joint venture or sell the project.

Regarding DLE, we will connect the dots and do what works. Rincon appears to be a DLE situation, RIO has stated so publicly and is piloting on site. Argosy has started with an evaporation-hybrid process.

Antofalla hasn’t come into focus yet. There is speculation that, depending on the DLE process that applies to a particular deposit, lithium in brine may be able to be profitably produced from far lower grades. We will observe, take the engineer’s perspective and apply.

**Do you think that Argentina Lithium & Energy is currently undervalued, fair value or overvalued? Why?**

Oh, Argentina Lithium is seriously undervalued, no question.

From the perspective of the outside world – most brokerage firm analysts and retail investors -- we are a highly speculative, wait-and-see prospect. From within the circle of lithium-in-brine geos, we are already well on the track of Alpha, Arena and Galan, and they each have market caps above US\$100 million.

Galan is valued above US\$300 million, and we have Galan's profile already. We are valued below \$30 million with some key geophysics and drilling yet to be delivered.

Brine is partially mobile, that is, partially liquid within, usually, loose gravel and sand. In a basin, the brine tends to level out, and if lithium is in the brine, it too levels out. We control at least four basins within salars containing brine in Argentina, and these are rare. We have an eye out to acquire more.

As of today, Argentina Lithium & Energy is a low market cap opportunity in the heart of one of the world's truly giant lithium-producing areas guided by an experienced team who live and breathe discovery.

### **Is there anything else you think investors should know about Argentina Lithium & Energy?**

No, that's the story.

### **Conclusion**

Trend Investing would sincerely like to thank Nikolaos Cacos for giving freely of his time and insight into Argentina Lithium & Energy and their very exciting lithium projects in Argentina.

As usual all comments are welcome.

**Disclosure:** I/we have no stock, option or similar derivative position in any of the companies mentioned, but may initiate a beneficial Long position through a purchase of the stock, or the purchase of call options or similar derivatives in Argentina Lithium & Energy [TSXV:LIT] over the next 72 hours.

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