

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – March 13, 2018

www.argentalithium.com



Argentina Lithium & Energy Corp. (C\$ 0.33)

| | |
|------------------------|---|
| TSX | : LIT |
| FSE | : OAY1 |
| H+L prices (12 months) | : C\$ 0.60 – 0.075 |
| Net issued shares | : 76.3 million |
| Fully diluted | : 85.5 million |
| Market capitalization | : C\$ 25.2 million (US\$ 19.6 million) |

2018 price target : C\$ 1.00

INVESTMENT ALERT

Argentina Lithium expands its lithium project portfolio in Argentina's Lithium Triangle and begins drilling at its Incahuasi Salar Project

On March 8, 2018, **Argentina Lithium & Energy** (“**Argentina Lithium**”) announced that it has expanded its lithium project portfolio in Argentina’s **Lithium Triangle** with a third lithium brine project to include over 14,000 hectares on the **Salar de Antofalla** in Sala Province. The new project includes a combination of 100%-owned property applications and properties with the option to earn a 100% through a combination of cash payments and work commitments.

The **Salar de Antofalla Property** is approximately 150 kilometres long and 5-7 kilometres wide and is located at 3,900 metres elevation. The geological environment at the Property is similar to other salars in the Puna region where lithium and potash are found.

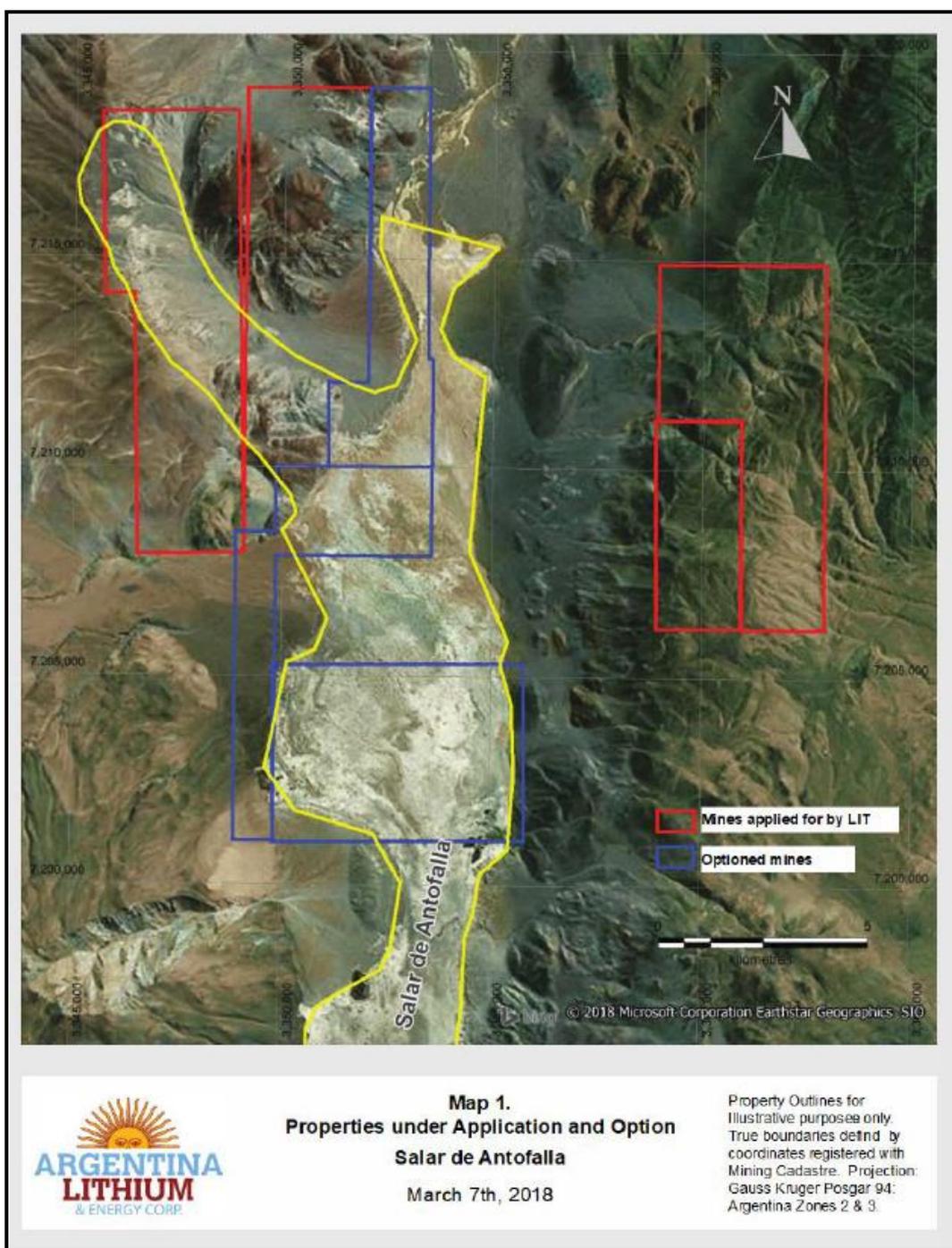
Terms of the option include payments totalling US\$ 3.5 million over 42 months, but limited to only \$ 500,000 in the first 18 months. The option also includes annual production expenditures commitments of \$ 500,000 in year one, followed by \$ 1.5 million in year 2, \$ 2.0 million in year 3 and \$ 3.0 million in year 4.

Several other companies are exploring properties on the salar, including global lithium producer **Albemarle**. Previous operators of the Albemarle property delineated lithium in brines, which Albemarle believes will be certified as the largest lithium resource in Argentina. Reported grades from the salar include 350 mg/lithium and 6,00 mg/potash.

Argentina Lithium has applied for 100% interest in approximately 9,000 hectares of mining claims in the north end of the Salar de Antofalla. Furthermore, the Company has entered into an option agreement to earn a 100% interest in 3 additional properties totalling over 5,300 hectares situated adjacent to the staked properties. The optioned properties include two granted mine concessions and a third mine application.

On March 13, 2018, **Argentina Lithium** announced that it has started the first drilling program at its 100%-owned **Incahuasi Lithium Brown Project** in Catamarca Province, which currently exists of 13,711 hectares un 7 properties covering 90% of the existing salar surfaces.

This initial program includes 4 diamond drill holes to depths of approximately 400 metres. The holes are designed to test highly conductive domains identified by a Vertical Electrical geophysical survey (VES) and interpreted as brine bodies, along 12 kilometres parallel to the long axes of the salar.





The Lithium Triangle

- Produces ~1/2 of the world's lithium
- Hosts ~70% of known lithium reserves
- Most lithium is in salt lake ("salar") brines
- Argentina produces approximately 12% of the world's lithium, making it the third largest global producer (2015)
- New Government is encouraging foreign investment and renewable energy initiatives



Investment comments:

Argentina's government is encouraging foreign investment and renewable energy initiatives. The combination of high geological potential and a promising investment climate have set the conditions last year 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 12% of the world's lithium, making it the third largest producer, next to Chile and Bolivia.

Argentina Lithium is led by the Grosso Group that pioneered in the mineral industry in Argentina and has operated there since 1993.

Argentina Lithium's Arizaro Lithium Brine Project, located in the Province of Salte, is the largest in Argentina. Together with the **Incahuasi Project** and the new acquired **Antofalla Property** this puts the Company in an outstanding position to benefit from the electric vehicle revolution, which will result in booming demand for lithium-ion batteries.

Considering having raised C\$ 4. Million to fully fund up to 10,000 metres of collective drilling on its two prospective properties and its strategy to further expand its lithium holdings, in my view, **Argentina Lithium**, at a market capitalization of just C\$ 25 million (US\$ 20 million), offers a high investment leverage potential.

As a result, my 2018 price target remains C\$ 1.00.

