

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – 21 November 2017

www.argentalithium.com



Argentina Lithium & Energy Corp. (C\$ 0.345)

TSX : LIT
FSE : OAY1

H+L prices (12 months) : C\$ 0.60 – 0.075

Net issued shares : 63.0 million

Market capitalization : C\$ 21.7 million
(US\$ 17.0 million)

12 months price target : C\$ 0.70

INVESTMENT ALERT

**Private placement up to 10 million units at a price of
C\$ 0.33 per unit for gross proceeds of up to C\$ 3.3 million**

On November 21, 2017, **Argentina Lithium & Energy** (“**Argentina Lithium**”) announced a private placement of up to 10 million units at a price of C\$ 0.30 per unit for gross proceeds of C\$ 3.3 million. Each unit will consist of one common share and one transferrable common share purchase warrant at C\$ 0.40 per share for one year from the date of issue.


The proceeds of the financing will be used for exploration programs on **Argentina Lithium’s** Arizona and Incahuasi lithium projects.

Argentina Lithium has the option to earn a 100% interest in the Arizaro Lithium Brine Project, including 27,350 hectares in the central core of the Arizaro Salar, the largest in Argentina and third largest in the “**Lithium Triangle**”. Very little historic exploration work has been done on the Arizaro Salar, however the central area is interpreted to have the geologic conditions to be the most prospective for quality brine resources.

Furthermore, the Arizaro Salar benefits from a strategic location for infrastructure, including: a railway that connects to the deep water port of Antofagasta, nearby advanced mining projects that are expected to bring significant development of access routes and power, and the availability of water for development.

Argentina Lithium has acquired a 100% interest in, or has under application, mineral rights totaling 23,700 hectares covering the entire Incahuasi salar and basin in Catamarca Province, Argentina. The salar is situated within the "Lithium Triangle" of Argentina and Chile, and has characteristics prospective for lithium-rich brines.

Initial sampling of near-surface brines has returned up to 409mg/L lithium, and geophysical surveying indicates the potential for lithium-rich brines at depth.



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, and puts the Company in an outstanding position to benefit from the electric vehicle revolution, which will result in a booming demand for lithium-ion batteries.

Considering the Company's strategy to further expand its lithium holdings, and the first stage of funding to be fully provided by the proceeds of the announced private placement up to an amount of C\$ 3.3 million, in my view, **Argentina Lithium**, at a market capitalization of just C\$ 22 million, offers a high investment leverage potential.

My 12 months price target is C\$ 0.70.