

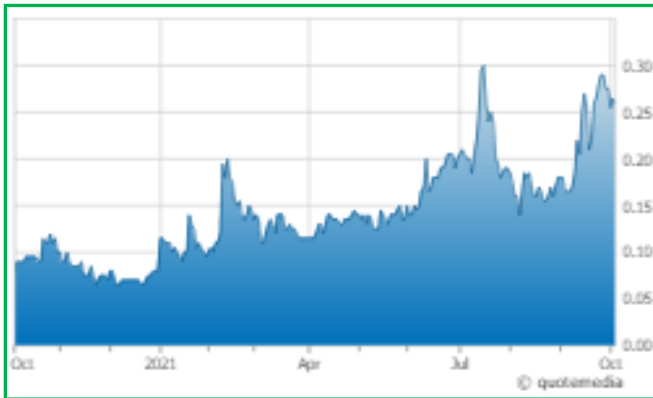
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – October 5, 2021

www.argentalithium.com



Argentina Lithium & Energy Corp. (C\$ 0.265)

TSX.V : LIT
OTC : PNXLF
FSE : OAY2

H+L prices (12 months) : C\$ 0.33 – 0.065

Net issued shares : 46.0 million
Fully diluted : 69.1 million

Market capitalization : C\$ 12.2 million
(US\$ 9.7 million)

2021 price target : C\$ 0.40

INVESTMENT ALERT

► **Argentina Lithium & Energy enters agreement to acquire Rincon West and Pocitos properties in Salta Province, Argentina**

On September 28, 2021, **Argentina Lithium & Energy** (“**Argentina Lithium**”) announced that it is expanding its portfolio of lithium exploration projects in **Argentina’s** world renowned **Lithium Triangle**. The Company has entered into a letter of intent with a local vendor to acquire a 100% interest in the 2,370 hectare **Rincon West** and 15,857 hectare **Pocitos** properties located in the heart of the prolific lithium district in the promising **Salta** jurisdiction.

The two properties, separated by 38 kilometres, are located approximately 90 kilometres west of the town of San Antonio de Los Cobres, the largest town in Argentina’s high plain and approximately 250 kilometres west of the provincial capital city of Salta.

The Inter Andres corridor runs within one kilometre of the **Rincon Salar**. These are two significant lithium resource development projects on the salar, owned by **Rincon Mining** and **Argosy Minerals**, both of which have executed demonstration-scale production of lithium carbonate.

The **Pocitos Project** is a group of eleven contiguous mining concessions, located on the western side of the **Pocitos Salar**. The rail line that crosses the middle of the Pocitos Property joins Salta with the part of Antofagasta on the Chilean Pacific coast.

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 present surface expression of the **Pocitos Salar** is approximately 57 kilometres north-south, and between 6-9 kilometres east-west. The saltpan is almost completely flat with portions of the older salar surface covered by talus and alluvial fan.

The Property has seen modest lithium exploration in the past, including geophysics and sampling, with very limited drilling.

Terms of the option include issuance of 750,000 shares in the Company to the vendor on signing, plus \$ 500,000 worth of shares over a 12-month period; and cash payments totalling US\$ 4.2 million over 36 months, but limited to only US\$ 1.05 million in the first 18 months, US\$ 800,000 of which are firm commitments over the first year.

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.

The Company's **Incahuasi Lithium Project** in **Catamarca Province** currently includes a 100% interest in over 13,372 hectares of granted mineral right properties in the **Incahuasi Salar** basin and in the northwest of the Catamarca Province.



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.



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 8.6% 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's Incahuasi Lithium Brine Project located in **Catamarca Province**, puts the Company in a prospective position to benefit from the electric vehicle revolution, which will result in a booming demand for lithium-ion batteries.

Considering **Argentina Lithium's** strategy to further expand its lithium holdings, which has resulted in the entered agreement, the Company, at a depressed market capitalization of around C\$ 9.7 million, and expected to get a boost under Argentina's free-market reform policy, to be supported by financial help of the IMF to be announced later this year, the Company, in my view, offers a high investment leverage potential.

My 2021 price target remains C\$ 0.40.