

Offering exposure to Graphite and Lithium, Lomiko Metals may be one to watch

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With all the news of the Russia-Ukraine crisis, many investors may not be aware of what's been happening with critical materials. For example, lithium prices are up almost 10 times over the past 14 months from US\$7,000/t to today's US\$67,424/t ([CNY 426,500/t](#)). Graphite prices look set to gain next in 2022. This is because electric vehicle (EV) batteries use a lot of lithium and graphite, and EV sales are booming, having risen by [108%](#) in 2021, to reach [6.75 million](#) vehicles. Given the popularity of EVs, I am expecting sales to exceed 10 million units in 2022, which means battery manufacturers will need a lot more lithium, graphite and other key metals.

BMI forecasts graphite deficits to begin from 2022 as demand for graphite grows strongly



Source: [Lomiko company presentation](#)

Today's company is a junior miner with a focus on developing both its graphite project and its earn-in lithium project. The Company is [Lomiko Metals Inc.](#) (TSXV: LMR | OTCQB: LMRMF) (Lomiko).

Lomiko has two projects in Canada:

- **La Loutre Project** (flagship) (100% interest) – A development stage graphite project in southern Quebec.
- **Bourier Project** (70% earn in interest) – An exploration

stage lithium project with multiple visible pegmatites in James Bay, Quebec Canada.

La Loutre Project (100% interest)

[The La Loutre Project](#) is spread over 2,867 ha and located 45 km by road from the city of Mont-Tremblant, in the Laurentides administrative region, Quebec, Canada. The Project has access to power, infrastructure & labor and is 192 km by highway to the Port of Montreal.

The Resource has an [Indicated contained graphite of 1.044Mt @ 4.51% graphite](#) and an Inferred contained graphite of 1.877Mt @ 4.01% graphite, based on a cut-off grade of 1.5% graphite.

The company's [PEA](#) indicated an [after-tax NPV8% of C\\$185.6 million, after-tax IRR of 21.5%](#), with a 15 year mine life producing about 100,000 tons/pa, based on a graphite price of US\$916/t graphite (Cg). The initial CapEx was estimated at C\$236.1 million, including mine pre-production, processing, infrastructure (roads, power line construction, co-disposal tailings facility, ancillary buildings, and water management). The OpEx was estimated at a cash cost of US\$386 per tonne of graphite concentrate or a AISC of US\$406/t graphite.

The key to note is that if we get higher graphite prices then the NPV will improve very significantly. For example, based on Lomiko's [sensitivity analysis](#) the Project NPV would rise to C\$601 million if graphite prices rose to \$1,681/t.

La Loutre PEA highlights and location map



Source: [Lomiko company presentation](#)

The next steps for the Project include completing 4 full seasons

of Environmental Baseline studies by the end of 2022, an updated Mineral Resource NI 43-101 Technical Report by October 2022, initiating and completing metallurgical studies to determine a processing method and product quality system, completing value-added testing for spherical graphite and battery compatibility.

Following the above would be the regular next steps of further feasibility studies (PFS, BFS), potential off-take agreements and project funding. So there is still quite a long way to go for the La Loutre Project, but at least it's off to a solid start and the Project is in Canada.

The Bourier Project (potential to earn in up to 70%)

[The Bourier Project](#) is potentially a new lithium field in an established lithium district. It is owned by Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF), which has entered into an agreement with Lomiko Metals whereby Lomiko may acquire up to 70% of the property by funding exploration activities and other considerations.

The Project consists of 10,252 hectares (102.52 km²) located on the Nemiscau greenstone belt and is south-east of the Istchee region in James Bay, Quebec, Canada.

The Project is still at a very early stage of exploration; however, GoldSpot's AI analysis has revealed considerable lithium potential. Lomiko [states](#): "A total of 99 pegmatite bodies were added to the current geological map, highlighting previously unknown potential for economic lithium mineralization."

The next steps include surface sampling of the initial 15 targets then a drilling campaign on key identified target areas.

The Bourier Project with an initial 15 exploration targets



Source: [Lomiko company presentation](#)

Closing remarks

This decade there is no getting away from the fact that the world will need a huge amount more of the key EV metals. Even last week the Pentagon [announced](#) a plan to boost rare earths and lithium stockpiles. The current Russia-Ukraine crisis volatility is resulting in lower stock prices for many EV metal companies which is opening up a great potential buying opportunity for long term investors.

Lomiko offers exposure to two Canadian Projects – The La Loutre Project with a good sized and reasonable grade graphite resource and a solid PEA, and the Bourier Project which has promising early-stage lithium exploration potential.

Lomiko Metals trades on a market cap of only [C\\$19 million](#), which must be the best opportunity valued graphite-lithium junior in town. One to watch in 2022.