

Two 'monster-sized' lithium projects for high-risk appetites to chew on

written by Matt Bohlsen | November 21, 2022

Many people nowadays are just becoming aware of the lithium boom and the massive lithium demand wave ahead this decade. My models and articles have been forecasting the lithium boom since 2017 and the good news is we are only potentially just at the beginning of a [lithium supercycle](#) as EV's gain market share each year. China lithium carbonate spot prices have already risen almost 12x from US\$7,000/t to ~US\$83,000/t ([CNY 592,500](#)) over the last 3 years. Just last week global lithium expert Joe Lowry was [quoted](#) that he sees lithium prices rising further to US\$97,000/t by 2027 and a base value of just below US\$80,000/t.

Investors are on the search for lithium juniors that have the potential for monster-sized lithium projects, ideally in safe locations. Everyone wants to find the next Pilbara Minerals Limited (ASX: PLS), which has seen its stock price rise from A\$0.15 to A\$4.75 in less than 3 years, a very nice ~32x gain.

Today's two lithium companies have potential to be the next Pilbara Minerals. They both own great lithium projects in Canada with the potential to grow to become monster-sized North American lithium projects. They also come with risks, so some research and due diligence is always required.

The two companies are [Frontier Lithium Inc.](#) and [Patriot Battery Metals Inc.](#)

Frontier Lithium Inc. (TSXV: FL | OTCQX: LITOF)

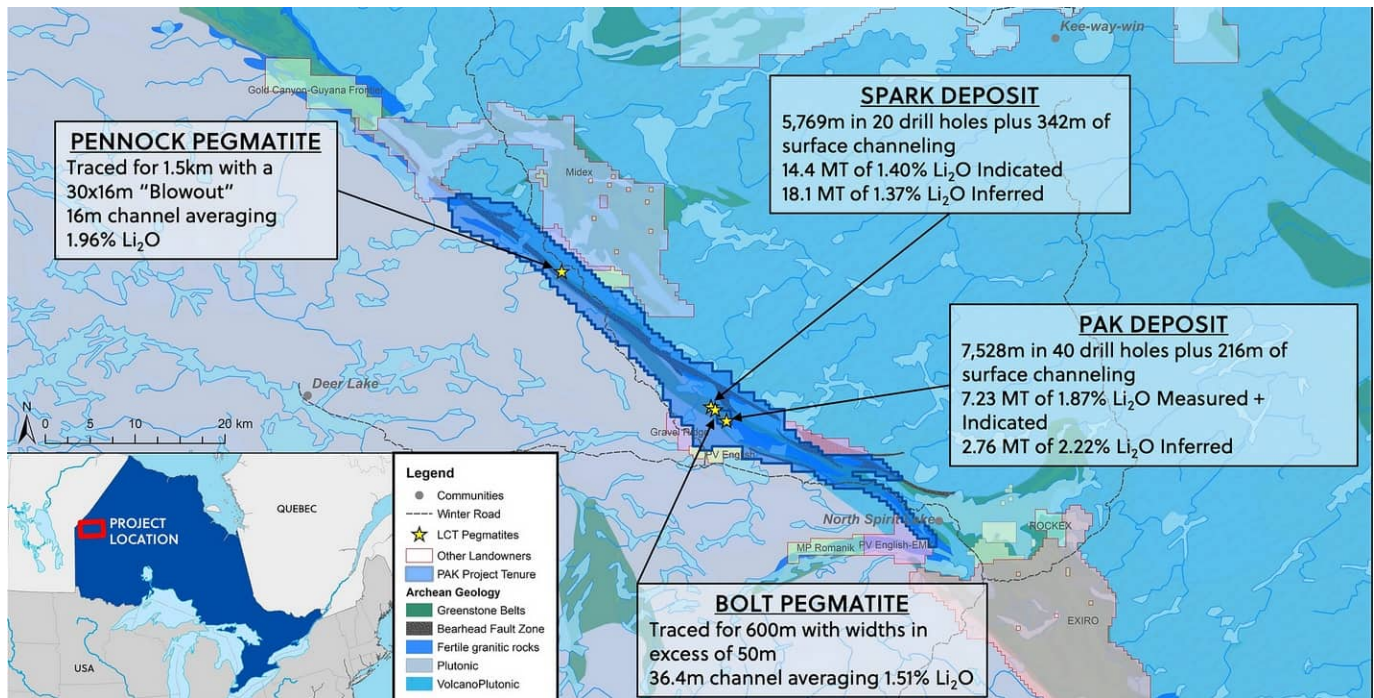
(“Frontier”)

Frontier is developing their 100% owned PAK Lithium project in northern Ontario, Canada. The Project already has an M&I&I Resource estimate of [41.9Mt @ 1.54% Li₂O](#) (as of March 2022), with potential to grow to a 100+ million tonne resource. [No other lithium junior](#) has had drill results anywhere near as good as Frontier. Just one example of many great results, was announced in October 2022 and was a stunning [326.6.m of pegmatite averaging 1.92% Li₂O](#).

Frontier is currently still drilling and has plans to announce an updated resource estimate and a PFS by the end of Q1, 2023. The [February 2021 PEA](#) for the PAK Lithium Project resulted in a post-tax NPV8% of US\$974.6 million, using lithium prices of only US\$13,500/t. One can hardly imagine what the PFS result might be. Certainly US\$2 billion+ looks entirely possible, especially if Frontier uses lithium price assumptions closer to US\$20,000/t. Sigma Lithium’s updated post tax NPV8% was [US\\$5.1 billion](#), so we would have to assume in time Frontier could potentially head in a similar direction. Frontier does still have some road access issues and permitting and project funding challenges ahead of them, so investors should be aware of the risks and also take a 5 year plus investing time frame.

Frontier Lithium currently trades on a market cap of only [C\\$430 million](#) ([US\\$323 million](#)).

Frontier Lithium’s PAK Project in northern Ontario, Canada (PAK & Spark deposits included in the current 41.9Mt resource)



Source: [Frontier Lithium website](https://www.frontierlithium.com)

Patriot Battery Metals Inc. (TSXV: PMET | OTCQB: PMETF) ("Patriot")

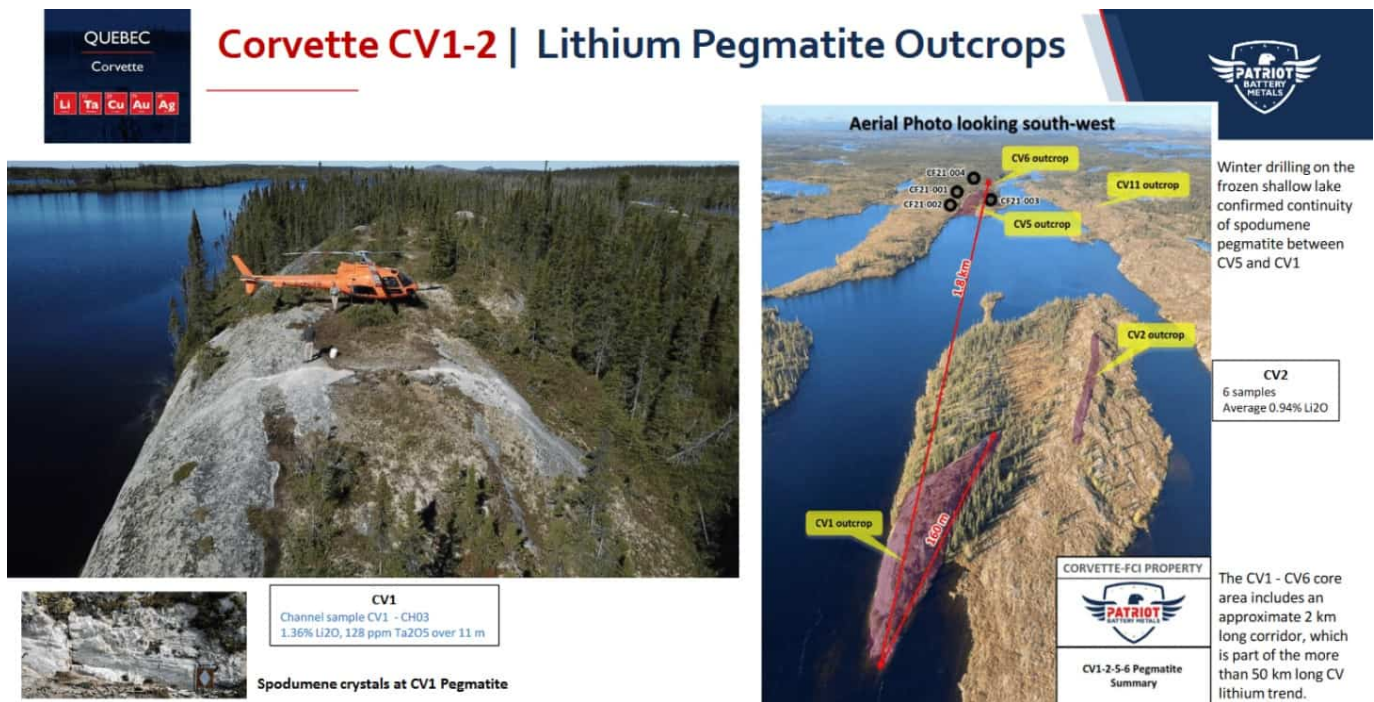
Patriot is focused on their 100% owned Corvette Lithium Project in James Bay, Quebec, Canada. The Project is still at a relatively early stage with no resource announced yet; but has some excellent drill results pointing towards this being potentially a huge lithium resource, in the order of 50-100+ million tonnes. Discovered in September 2021, CV5 is currently the largest outcropping deposit with its first drill result of a 146.8m at 0.93% Li₂O and 114 ppm Ta₂O₅. Since then there have been several other great drill results and there are multiple outcropping pegmatite targets yet to be drilled. The main 2.2km pegmatite strike from CV1-CV6 remains [open along strike at both ends and at depth](#). Spodumene has been encountered down to a vertical depth of approximately 315m. President & CEO Blair Way comments (from 30:45 min mark in the [CEO video](#)):

"With a 2.1km corridor even around 100m thick and 300m deep.....it appears to be well and truly into the three digits.....I think we will easily be over the 1.0, 1.2%...."

This looks to be a massive resource, but it will take the next two years to drill and grow it towards its potential. In late 2023 or early 2024, I would expect a maiden resource to be announced, followed soon after with a PEA or PFS. All weather road access and power are 15kms from the Corvette Project, so a minor challenge. Risks due to the early stage and again lithium juniors require a 5 year plus investing time frame.

Patriot currently trades on a market cap of [C\\$486 million](#) ([US\\$365 million](#)).

Patriot’s Corvette Lithium Project showing the CV1 pegmatite outcropping and the CV1 to CV6 pegmatite corridor



Source: [Patriot Battery Metals company presentation](#)

Closing remarks

Early-stage lithium miners come with numerous risks but also potentially huge rewards. In the case of Frontier Lithium and Patriot Battery Metals, they are, in my view, the two most promising earlier-stage lithium juniors in North America.

There are also three other very advanced North American juniors

(Piedmont Lithium Inc., Sayona Mining Limited, Critical Elements Lithium Corporation) that offer lower risk, less patience, but perhaps less reward. These 5 lithium stocks look likely to be the 'fabulous 5' that could become the backbone of the North American lithium industry along with Albemarle Corporation, Livent Corporation, and perhaps Lithium Americas Corp.

Disclosure from the Author: *The author is long all the lithium companies mentioned in this article.*