

# **Nevada: A Potential Leader in Global Lithium Supply**

Insights and Comparisons between Key Players in the State

---

# Disclaimer

---

The information contained in this report has been compiled by IBK Capital Corp. from sources believed to be reliable, but no representation or warranty, express or implied, is made by IBK Capital Corp., or any other person, as to the accuracy, completeness or correctness of the sources and the report resulting therefrom. All opinions and estimates contained in this report constitute IBK Capital Corp.'s judgement as of this report date, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this report constitutes personalized investment advice or tax, accounting or legal advice. This report is prepared for exclusive circulation to clients of IBK Capital Corp. and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance with respect to the sources for this report and any analysis thereof is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. IBK Capital Corp. analyst compensation is based in part on the overall profitability of IBK Capital Corp. The analyst has no financial interest in the companies listed in the report. As of the end of the month immediately preceding the publication of this report, IBK Capital Corp., its officers or directors beneficially owned 1% or more of Peloton Minerals Corporation ("Peloton"). In the last 12 months, IBK Capital Corp. has led, co-led or participated in a private placement of securities for Peloton. In the past 12 months, IBK Capital Corp. has received compensation for investment banking services from Peloton. This research is only intended for clients of IBK Capital Corp. and is not to be reproduced in any way or disseminated in any way without the prior written consent of IBK Capital Corp.

# The Great Mining State of Nevada

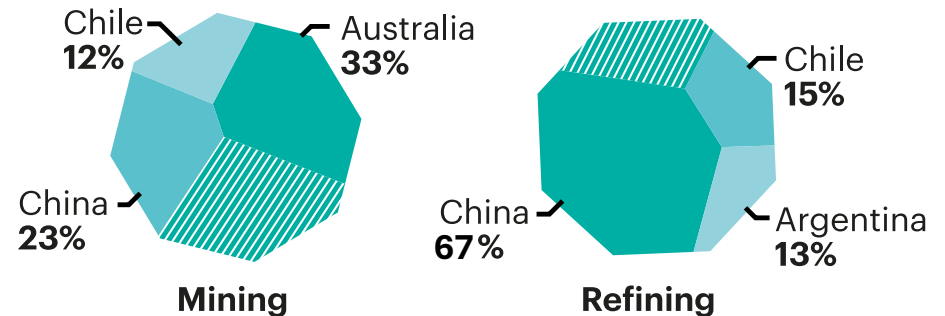
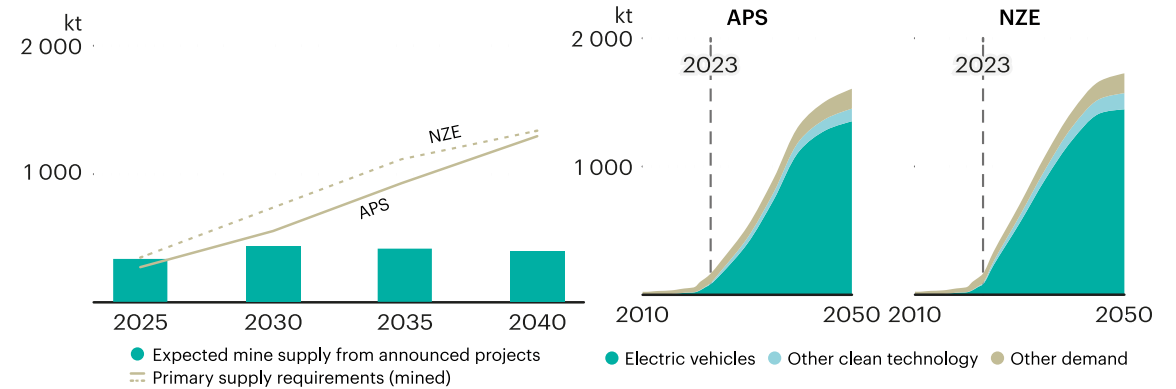
- ❖ Nicknamed “**The Silver State,**” Nevada entered an era of high-grade silver production in the mid 1800s with the discovery of the Comstock Lode.
- ❖ Gold took over in the mid 1900s, leading to an era of massive, heap leach open pit production. In 1969, the Cortex Gold Mine in Nevada was the **first to use heap leach technology globally.** It is now an industry standard.
- ❖ Nevada consistently ranks as a **top gold producer** and a **top jurisdiction** in the world for mining based on the **state’s attractiveness for investment in mining, its positive policy perception and mineral potential.** Other positive data points include **quality of infrastructure, positive socioeconomic and community conditions, political stability, security, and availability of skilled labour.**<sup>1</sup>
- ❖ **We believe Nevada is now entering an era of lithium mining that will see the state become a global leader in lithium production and upgrading.**
- ❖ Nevada has many prospective lithium projects in two emerging trends: **the Northern Trend and the Clayton Valley Trend.**
- ❖ The **United States (US)** is moving to **securitize its lithium supply chain away from China.** Nevada could **supply the US’s domestic needs for battery grade lithium, being produced and upgraded in the state.**
- ❖ In addition to US Federal investments in Nevada for lithium, **investments are being made by downstream global corporations including Ford, GM, Tesla and Panasonic,** specifically for the production and consumption of **battery grade lithium essential for the electrification of the world.**



<sup>1</sup>Fraser Institute, Annual Survey of Mining Companies, 2023

# Electrifying the Future

- ❖ **Lithium**, also known as *white gold*, is needed to **manufacture batteries** to power electronic devices and EVs.
- ❖ The **global lithium market** valued at **USD \$7.49 billion** in **2023**, is projected to increase to **USD \$21.28 billion** by **2031** at a **CAGR of 12.3%**.<sup>1</sup>
- ❖ Major battery manufacturers are **concerned about lithium supplies**.
- ❖ **67% of global lithium supply is processed by China**.<sup>2</sup>
- ❖ **Key investments in Nevada** are establishing **local lithium mining and refining, securitizing a lithium supply chain in the US**.



**APS:** Average Propensity to save  
**NZE:** Net Zero Emissions

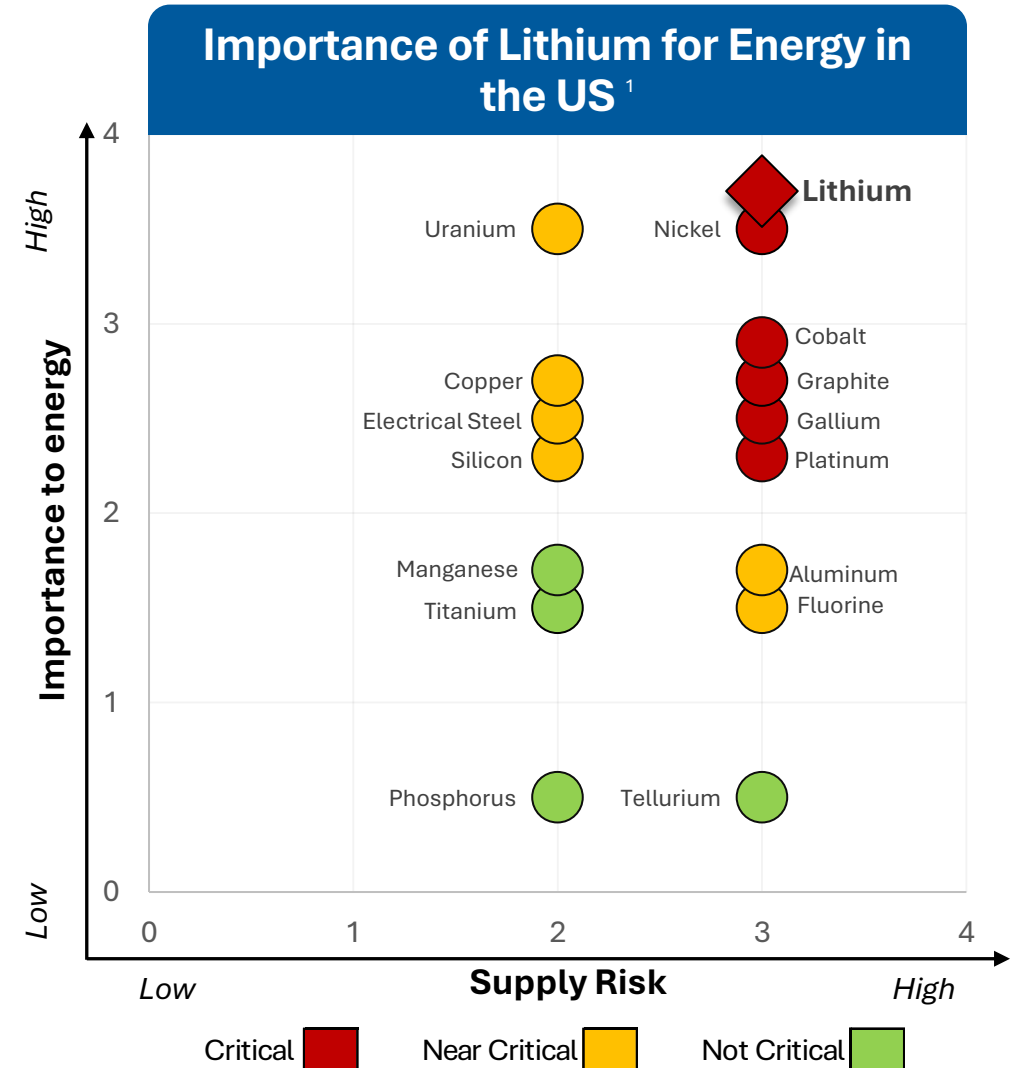
<sup>1</sup> SkyQuest Technology Consulting Pvt. Ltd., "Lithium Market Size, Share, Growth Analysis, By Product, By Application, By Region". April 24, 2022

<sup>2</sup> International Energy Agency, "Lithium Report". May 2024

<sup>3</sup> Mine Magazine, NRI Digital, December 2023

# Securing a Lithium Supply Chain in the US

- ❖ **Lithium** is a **critical mineral** essential for meeting global energy needs, particularly in **battery production**.
- ❖ **Geopolitical challenges persist**, with **China** dominating as the **world's leading lithium processor**.
- ❖ In **2022** the top importers of **lithium carbon equivalent (LCE)** were:
  - ❖ China (\$6.17B)
  - ❖ South Korea (\$1.38B)
  - ❖ Japan (\$1.07B)
  - ❖ United Kingdom (\$194M)
  - ❖ **United States (\$191M)**<sup>2</sup>
- ❖ The **US** has **raised tariffs** on **Chinese imports** of **lithium-ion EV batteries and battery parts** from **7.5% to 25%**.
- ❖ This move **emphasizes the urgent** need to **establish a resilient local supply chain, reducing** reliance on **imports**.



<sup>1</sup> US Department of Energy, U.S. Critical Materials Assessment, May 2023

<sup>2</sup> SP Global, The Game of Tariffs

# Select Lithium Players in Nevada

## NORTHERN NEVADA:

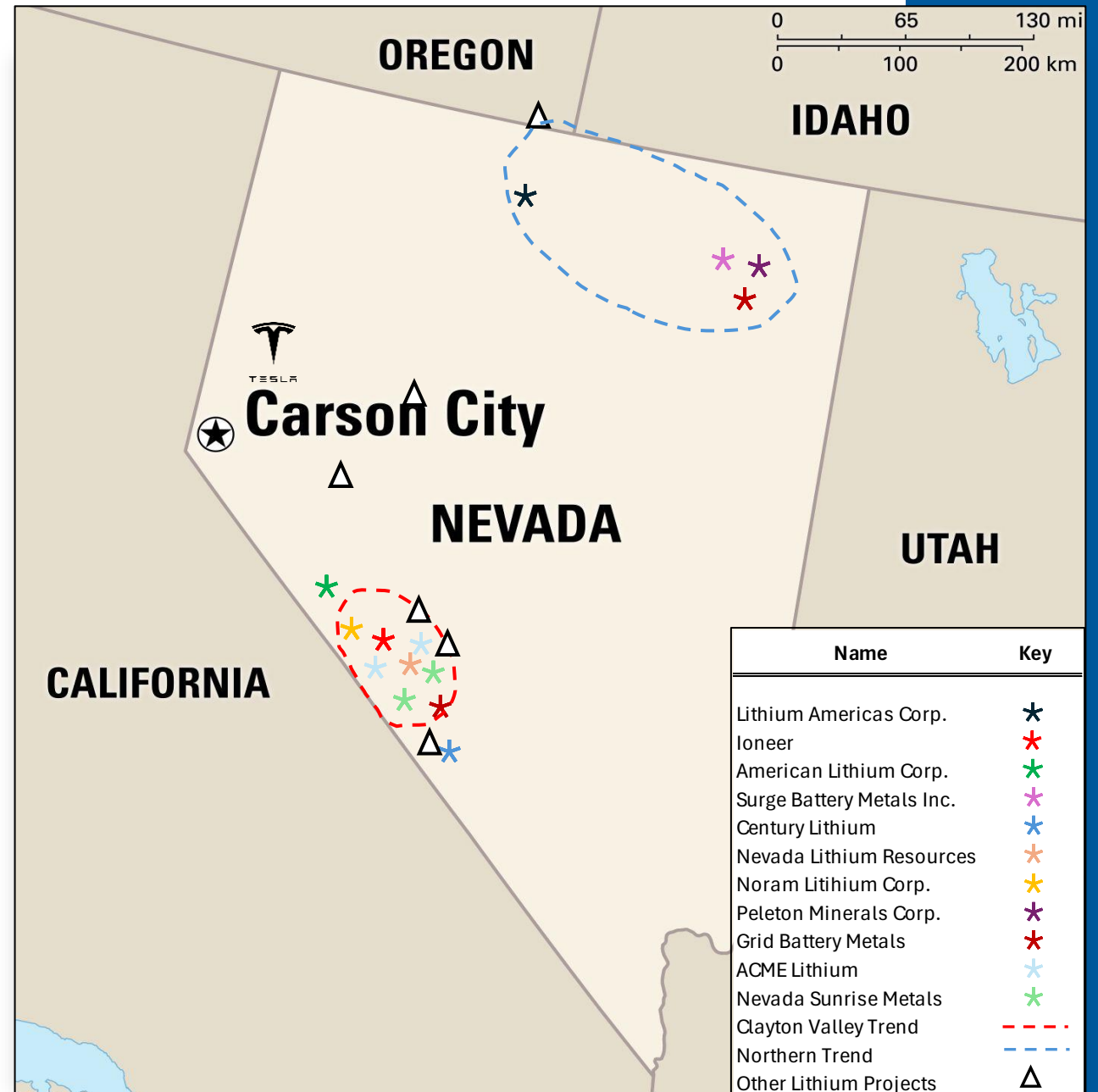


## CLAYTON VALLEY:



# Distribution of Lithium Properties in Nevada

- ❖ Large lithium deposits in clay and brine attracted numerous exploration mining companies to the state.
- ❖ Two distinct trends have emerged in the state, the “Northern Trend” and the “Clayton Valley Trend”.
- ❖ Lithium bearing clay rock formations of the Northern Trend are shallow and high-grade (around 3,000 ppm) suitable for open-pit mining. Lithium in brine and clay deposits in the Clayton Valley Trend are appearing to be deeper for grade and more suitable for direct extraction.
- ❖ The areas of these trends offer access to mining service towns, skilled labor, well established permitting regulations, blacktop highways and a mining friendly climate. <sup>1</sup>



<sup>1</sup> Fraser Institute, Annual Survey of Mining Companies, 2023

# Lithium Trends in Nevada

## *Northern Trend and Clayton Valley Trend*

---

### Northern Trend:

- ❖ Situated within the Basin and Range Province, containing extensive faulting and crustal extensions.
- ❖ Prior volcanic & tectonic activity has created numerous basins ideal for the formation of lithium-rich clays.
- ❖ **Shallow high-grade lithium-clay deposits** in this trend are amenable to open pit mining, and acid leach and filtration recovery.

### Clayton Valley Trend:

- ❖ Closed, tectonically active basin.
- ❖ Historic volcanic activity led to the formation of lacustrine sediments like clay, ash, tuff, and travertine deposits indicating locations of hot springs throughout the basin.
- ❖ **Lithium-rich brine deposits in aquifers**, and some clay deposits at varying depths that could be amenable to direct extraction technologies.



# Select Developers and Explorers of Lithium in Nevada

Corporate Summary <sup>1</sup>							Resources/Reserves						
Company Name	Exchange Ticker	MCAP	Basic S/O	Price	Cash	M&I	Grade	Inferred	Grade	P&P	Grade	Location	
		\$MM	MM	\$	\$MM	Mt	ppm	Mt	ppm	Mt	ppm		
Lithium Americas Corp.	TSXV	LAC	\$812	218	3.72	\$513.9	1,457	2,070	297	1,870	217	3,160	Northern Trend
Surge Battery Metals Inc.	TSXV	NILI	\$67	165	0.41	\$4.8	-	-	550	2,955	-	-	Northern Trend
Peloton Minerals Corp.	CSE	PMC	\$13	137	0.10	\$1	-	-	-	-	-	-	Northern Trend
Grid Battery Metals	TSXV	CELL	\$8	188	0.04	\$6.7	-	-	-	-	-	-	Northern Trend
Ioneer	ASX	INR	\$444	2337	0.19	\$36.9	260	1,731	93	1,759	60	1,797	Clayton Valley
American Lithium Corp.	TSXV	LI	\$185	218	0.85	\$11.9	2,052	809	486	713	-	-	Clayton Valley
Century Lithium	TSXV	LCE	\$51	149	0.34	\$10.3	1,139	966	187	820	288	1,149	Clayton Valley
Nevada Lithium Resources	CSE	NVLH	\$31	307	0.10	\$2.2	-	-	3,407	1,013	-	-	Clayton Valley
Noram Lithium Corp.	TSXV	NRM	\$12	89	0.14	\$2.6	586	957	300	861	-	-	Clayton Valley
ACME Lithium Inc.	CSE	ACME	\$3	76	0.04	\$0.7	-	-	-	-	-	-	Clayton Valley
Nevada Sunrise Metals	TSXV	NEV	\$2	110	0.02	\$0.2	-	-	589	1,520	-	-	Clayton Valley

<sup>1</sup>All dollar values are CAD

As of 8/21/24

# Key Investments in the Region <sup>1</sup>



**US Department of Energy** announced commitment to Lithium Americas Corp. for a **\$2.26 billion loan** to help finance the **construction of lithium carbonate processing plant** at its Thacker Pass property creating a supply chain for lithium in Nevada.



**Inflation Reduction Act (IRA)** provides **incentives to US taxpayers** to purchase EVs and tax credits to battery manufacturers if they use **raw materials sourced within the US**.



**General Motors** makes a **\$650 million equity investment** in **Lithium Americas**.



**Tesla** is investing an additional **\$3.6 billion** in **Nevada** to **expand Gigafactory Nevada**, adding 3,000 jobs and two new factories, including a 100 GWh battery cell factor.

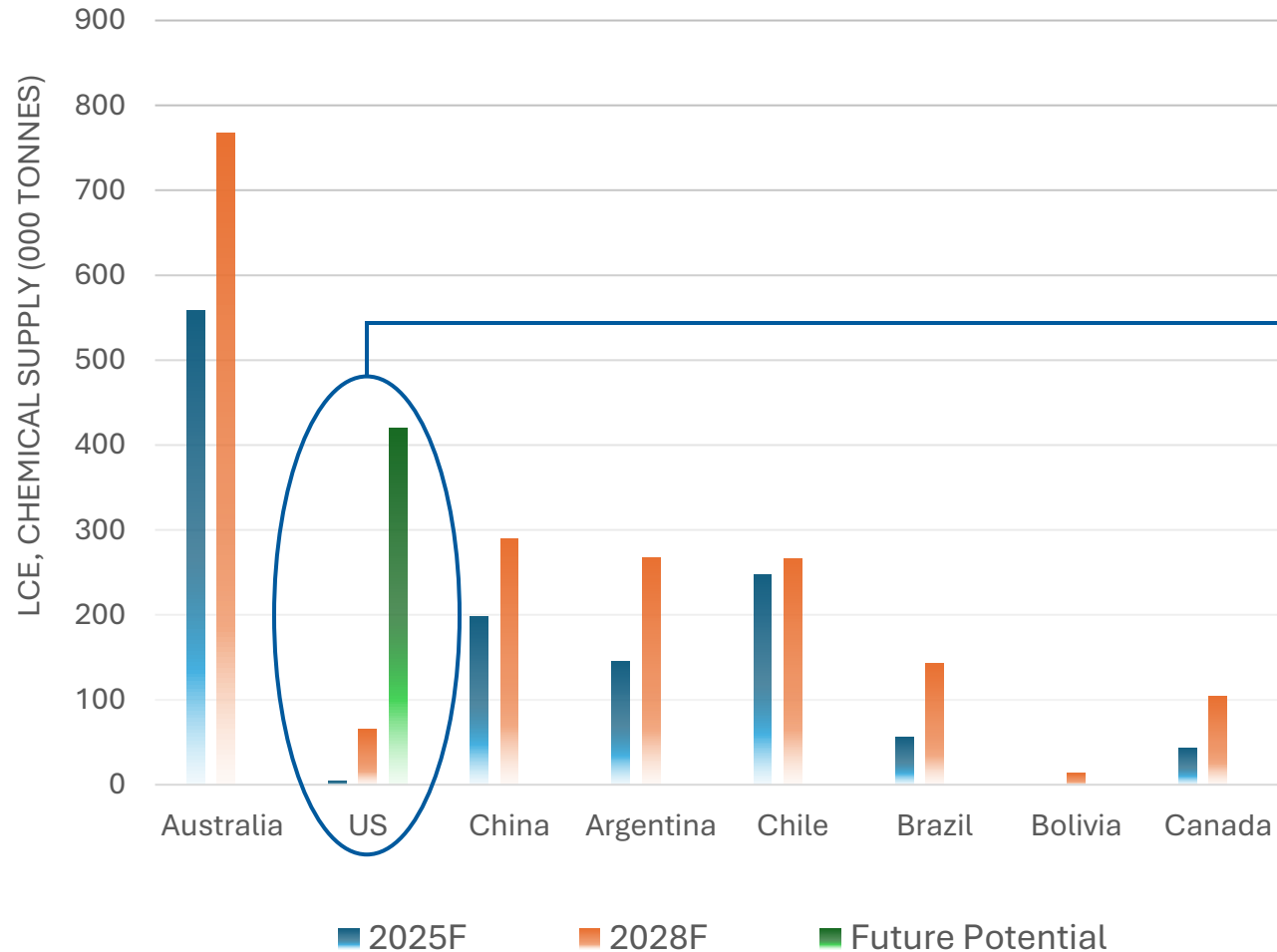


**Loneer and Ford** have entered a **5-year agreement** to supply **7,000 tonnes per annum of LCE** from **Nevada's Rhyolite Ridge**.



**UNR** is designated as a **Tech Hub**, focused on lithium battery innovation, supported by **\$75M in federal funding**, with an **additional \$7.5M** from the **Nevada State Legislature** in partnership with EDAWN, a key regional organization driving economic growth in Western Nevada.

## LITHIUM SUPPLY ESTIMATES BY COUNTRY



Based on current projections<sup>1</sup>, the US is positioned to be 7<sup>th</sup> in global lithium supply. With the *lithium rush* in Nevada, and ongoing investments and developments in the state, the US could potentially become a world leader of lithium supply.<sup>2</sup>

<sup>1</sup> Based on S&P Global Market Intelligence, Lithium Supply.

<sup>2</sup> Based on company production estimates extrapolated over other lithium projects in the state.

# Potential Early Production in the State

Company Name	Exchange	Ticker	LCE
			tpa <sup>2</sup>
Lithium Americas Corp.	TSXV	LAC	80,000
American Lithium Corp.	TSXV	LI	38,000
Century Lithium	TSXV	LCE	34,000
Nevada Lithium Resources	CSE	NVLH	32,300
Noram Lithium Corp.	TSXV	NRM	23,000
Ioneer	ASX	INR	22,000
Surge Battery Metals Inc.	TSXV	NILI	-
Peloton Minerals Corp.	CSE	PMC	-
Grid Battery Metals	TSXV	CELL	-
ACME Lithium	CNE	ACME	-
Nevada Sunrise Metals	TSXV	NEV	-
<b>Total</b>			<b>229,300</b>

Based on individual company reports, six out of eleven companies reviewed showed a combined potential to produce up to **229,300 tonnes of LCE annually**. **Surge Battery Metals, adjacent to Peloton Minerals in the Northern Trend**, has a **sizable resource similar in grade and tonnage to Lithium Americas' pit reserves** also located in **the Northern Trend**. Although a scoping/feasibility report is not yet available, **Surge's high-grade deposit continues to expand** and could **represent production similar to that of Lithium Americas**.

The world leader in Lithium production, **Australia**, produced **428,331 tonnes of LCE (46.9%) in 2023** behind **Chile** and **China** at **204,114 (23.5%)** and **136,429 (14.8%)** respectively.<sup>1</sup>

**If the remaining companies reach similar production estimates** to the average shown, **Nevada could supply enough lithium to make the US substantially self-sufficient**.

<sup>1</sup> S&P Global Market Intelligence.

<sup>2</sup> tpa: tonnes per annum.

# Nevada “All For Our Country”<sup>1</sup>



## Importance of Lithium

Lithium is the cornerstone of the global energy transition; the demand continues to surge and Nevada’s role as a potential key supplier becomes increasingly vital.



## Nevada: A Prime Mining Jurisdiction

Nevada is a mining-friendly state with access to investment, infrastructure and skilled labour. Nevada has a long history of mining innovation and continually ranks as a world leader in mining.<sup>2</sup>



## Northern Trend and Clayton Valley Trend

Nevada is very rich in lithium. The Northern Trend offers near-surface, high-grade lithium deposits, while the Clayton Valley Trend is renowned for its rich brine and claystone deposits, both adding to Nevada’s potential lithium production.



## Key Investments ~ USD \$6.5 billion

Major investments for lithium in Nevada, driven by large corporations, highlight the state’s growing significance in the lithium market.



## Global Competitiveness

Nevada has a will to succeed. Nevada’s lithium production, if fully realized, could rival leading producers like Australia and China.

<sup>1</sup> Nevada State Seal

<sup>2</sup> Fraser Institute, Annual Survey of Mining Companies, 2023



**IBK Capital Corp.**

110 Yonge Street, Suite 1601  
Toronto, Ontario  
Canada M5C 1T4

**Contact:**

***Michael White***

President and Chief Executive Officer  
Mobile: (+1) 416 727-4100  
mwhite@ibkcapital.com

***Ibrahim Chandna***

Analyst  
Mobile: (+1) 647 891-2021  
ichandna@ibkcapital.com