



June 11: Pinball Wizard. New Kid(s) in Town

“In the land of the blind, the one-eyed man is king.”

A week from now Roger Daltrey will be a 5-minute walk from my home in **Forest Hills** performing The Who’s **Tommy**.



Lithium equities these past 2-3 years have often been the land of the **Deaf**, **Dumb** and **Blind**: **Most Institutional Investors**, **Certain Sell-side analysts**, and **Mass Affluent Retail** (playing bitcoin, cannibas and Tesla, but not yet battery materials).

To: Most Institutional Investors:

See me. Feel me. Touch me...

To: Certain Sell-Side Analysts. Re: Lithium Price Forecasting:

*I know you've deceived me, now here's a surprise
I know that you have 'cause there's magic in my eyes
I can see (elevated lithium prices) for miles and miles and miles and miles and miles*

To: Mass Affluent Retail:

*I'm free, I'm free
And I'm waiting for you to follow me*

www.libull.com

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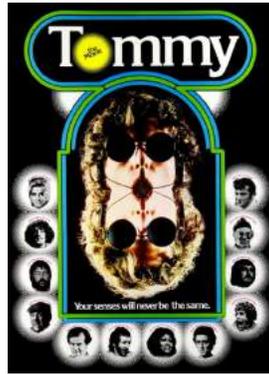
<https://www.linkedin.com/in/howardklein/>

The Who - We're Not Gonna Take It / See Me, Feel Me (Woodstock 1969):

<https://www.youtube.com/watch?v=aaUDOzorCcl>

Tommy - I'm Free - Roger Daltrey (The Who):

<https://www.youtube.com/watch?v=rGa70tVYVKo>



Pinball Wizard Lithium-ion Bull

The Who & Elton John - Pinball Wizard (Tommy 1975)

<https://www.youtube.com/watch?v=DthtDjhqVOU>

Despite bouts of over-exuberance in selected issuers, the **Lucky Country** has been a welcoming home to more than a handful of #Lithium Pinball Wizards of and in Oz. Hard rock names in **Western Australia** in particular, but more broadly, an ASX listing has generally resulted in a lower cost of equity capital than a TSX or AIM listing for lithium developers. **Orocobre, Pilbara, Galaxy** to name three, have all managed to raise equity capital when they needed it at relatively high valuations.

The **KiDs R** Alright is one of many **The Who** metaphors I have used to describe **Long Live Rock** and **Bargain Kidman** over the past year. Lithium Mr. Market is ripe for some KDR history rhymes. To enable more **Mass Affluent Retail** to experience **Life in the Fast Lane**. But, please, no more...

"My Maserati does 185. I lost my license, now I can't drive."

Life's Been Good



AVZ Minerals shares
dive as Klaus Eckhof
halves his stake

The Australian
1 day ago



to me, so far

\$AVZ

Life in the Fast Lane: <https://www.dailymotion.com/video/xhriyp>

Life's Been Good: <https://www.dailymotion.com/video/x109hpr>



New Kid in Town

I expect several if not all of the below in the next 6-24 months to soar like...

The Eagles' New Kid in Town (1977): https://www.youtube.com/watch?v=IR_li0hXLEk

*There's talk on the street; it sounds so familiar.
Great expectations, everybody's watching you.
People you meet, they all seem to know you.
Even your old friends treat you like you're something new.
Johnny come lately, the new kid in town.
Everybody loves you, so don't let them down.*

Sitting Duck Performs at Flushing Town Hall, June 10, 2018

As we approach Father's Day, I hope you'll forgive my indulgence to tout my son Jamie – aka Sitting Duck – at his end-of-year music recital. This year was extra special as Jamie composed/arranged on Ableton Live software the electronic music background to a Japanese musician's video game score **Together, We Ride:**



Sitting Duck Jamie Klein Performs Together, We Ride

<https://www.youtube.com/watch?v=PbLft0rNFn8>



Neal Simon - Independent Candidate for U.S. Senate in Maryland!

I am hosting a lunch for my friend of 45 years this week in New York.

Feel free to Donate!

https://secure.anedot.com/nealsimon/donate-online?source_code=website



We just had an **All USA Stanley Cup**. Neal's home team The **Washington Capitals** defeated Cinderella expansion team story The Vegas Golden Knights. An Excellent Omen for:

[@nealjsimon](https://twitter.com/nealjsimon)

[#simon4senate](https://twitter.com/simon4senate)

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#Independent #Maverick Neal Simon visits Lithium-ion Bull, circa 1994, Budapest Hungary



Coming 2019: Top Gun 2

#Maverick #TopGun

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Neal Simon for U.S. Senate
@nealjsimon
Marylander, husband, father, CEO, philanthropist, independent candidate for the U.S. Senate. #Simon4Senate #PeopleOverPolitics
Potomac, MD
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Joined September 2017

Tweets 869 Following 814 Followers 900 Likes 128 Lists 2 Following

Neal Simon for U.S. Senate @nealjsimon · May 9
Pinned Tweet
People always ask me about what it means to be an #Independent. Here are the 5 principles I use to guide my decision-making:

PEOPLE OVER POLITICS
NEAL SIMON FOR US SENATE

Principles - Neal Simon for US Senate



BATT - Amplify Advanced Battery Metals and Materials ETF

Eight months after I penned a Seeking Alpha Blog as an open letter to Global X Management with a roadmap to improve their Lithium index, BATT has emerged as a competitor to that which I called DIM LIT, but have had a bit of change of heart in H1 lithium volatility.

<https://seekingalpha.com/instablog/38776276-lithium-ion-bull-forest-hills/5045571-dim-lit>

LIT grew AUM from \$150M to \$1B from September to January. BATT currently has \$2M AUM. I will be keeping close watch to the absolute and relative AUM's of these two each quarter.

BATT

AMPLIFY ADVANCED BATTERY METALS AND MATERIALS ETF

BATT is a professionally managed ETF that seeks to provide exposure to Lithium, Cobalt, Nickel, Manganese and Graphite via publicly-traded stocks. Companies in the portfolio are principally engaged in the business of mining, exploration, production, development, processing or recycling of advanced battery metals and materials.

The graphic features the word 'BATT' in large, white, bold, sans-serif capital letters. A green lightning bolt is positioned between the 'A' and the first 'T'. Below this, the full name of the ETF is written in blue, bold, sans-serif capital letters. At the bottom, a short description of the fund is provided in a smaller, black, sans-serif font. The background is dark blue with a faint green circuit board pattern.

BATT vs. LIT

BATT - "It's not only lithium, like LIT. But's it is largely upstream materials, not downsream batteries."

<https://seekingalpha.com/article/4180273-battle-battery-metal-etfs-batt-vs-lit>



Neometals – The Hard Rock Hydroxide Advantage!

MoU for Kalgoorlie Lithium Refinery Site and Infrastructure

Highlights

- Option agreement executed with City of Kalgoorlie-Boulder for sub-lease of site for Neometals lithium hydroxide refinery
- Proposed 40 hectare location is only 70km from the existing Mt Marion Lithium Operations, 5km from Kalgoorlie township and adjacent to critical infrastructure
- Kalgoorlie lithium hydroxide refinery is part of Neometals' strategy to realise maximum value from its lithium feedstocks at a time of unprecedented global demand for battery raw materials and chemicals
- FEED study for the refinery is in progress, process testing completed

I don't believe Mr. Market thinks of **NMT** as a 10K hydroxide producer by 2021, but that seems the plan for ~\$200M capex, a quite manageable number for a lithium producer which should be accretive to that which I called **Cash Machine NMT** last September:

http://libull.com/Lithium_Bull_Sept_30_NMT_KDR.pdf

Silver Coast Research does a good job for NMT referencing **Matt Bohlsen's** Seeking Alpha article...

<https://seekingalpha.com/article/4161747-neometals-offers-4-great-opportunities-price-1>

Neometals Ltd looking to move downstream towards lithium chemical production

19:01 07 Jun 2018

Share ▾

Chris Reed, chief executive of **Neometals Ltd (ASX:NMT)**, discusses with Proactive's Andrew Scott their decision to enter into an option agreement to sub-lease a 40-hectare site in Kalgoorlie for a proposed lithium hydroxide refinery.

With a lithium hydroxide plant, Neometals aims to take lithium concentrate feed from its nearby 13.8% owned Mt Marion lithium operations and convert it to the higher value lithium hydroxide product.



Chris Reed Interview: <https://www.youtube.com/watch?v=bJdkeCtnGqY>



I consider much about Silver Coast's commentary on **Piedmont Lithium** (and AVZ) to be on point...

<https://seekingalpha.com/article/4179774-piedmont-lithium-buy-nasdaq-listed-u-s-explorer>

...and would encourage you to read my extensive comments within the above Seeking Alpha post.

My main quibble is that he seems to present the false choice of picking only one lithium stock and seems to have a short-term trader mentality (buying PLLL last fall near a top only to sell at a loss while a recovery seems to be in its early stages). NMT and PLLL are largely different kettles of fish. I believe it prudent to have more than two lithium stocks and Piedmont's uniqueness qualified it for my Screaming Buy album in April. NMT was amongst the runners up.

Peter Epstein did some constructive Q&A with Piedmont CEO **Keith Phillips**, published on May 28.

<http://epsteinresearch.com/2018/05/23/piedmont-lithium-a-promising-u-s-hard-rock-play/>



And **Australian Super** – the largest institutional investor in Australia – did some talking with further on-market buying in May:

Piedmont Lithium has major shareholder AustralianSuper increase stake

08:38 01 Jun 2018

Share ▾

AustralianSuper has more than \$120 billion in assets under management.



Piedmont Lithium Ltd (ASX:PLL) has had AustralianSuper Pty Ltd increase its stake in the company to 7.77% from 6.66%.

AustralianSuper is a superannuation manager with more than 2.2 million members and more than \$120 billion in assets under management.

I expect the **ChinaAustraliaAsia** supply chain from Lithium Rock-to-Chemicals-to-Cathodes-to-Batteries to be mirrored within a few years in this 15-20-year **Lithium Supercycle** by Hard Rock mines close to traditional auto manufacturing hubs in North America, Europe and Brazil.

Savannah Resources – a Piedmont lookalike in Portugal could be well placed to feed Germany, French and British EV makers one day. I expand a bit on this one below.

Sigma Resources too. The good LiFe Australia exists too in iron ore and lithium-rich Minas Gerais, Brazil. Brazil has a big auto manufacturing industry and BYD is present there. I'll comment on this one in the future.



Savannah controls the largest spodumene deposit in Western Europe.

Scoping Study is to be published in next few weeks.

Market Cap = GBP56M = USD 75M for 75% of project = USD 100M implied market cap for the project

I had the opportunity to meet Savannah CEO David Archer at the **Benchmark Minerals** New York World Tour and took some notes in a follow up 60-minute call.

Presentation: <http://www.savannahresources.com/cms/wp-content/uploads/pdfs/portugal-lithium-project-presentation.pdf>

Background:

Portugal already produces lithium. Like the USA, Zimbabwe and Brazil, Portugal makes up that 5-10% afterthought of lithium supply after we rattle off Chile, Argentina and Australia/China as main countries producing this magical white powder.

Savannah is 29.9% controlled by the Sultan family in Oman. This family came into Savannah for its copper project in Oman (and mineral sands in Mozambique) but is very supportive and can/will follow their money. GBP 15M has been invested in the company to date. GBP 6.6 by founders/management including GBP1M from CEO.

Lithium in Portugal is now Savannah's main focus. They bought the property in May 2017 – just one year ago - from an Austrian family who retains 25% free-carried project level interest.

In December, Savannah published a resource of 3M tons. By February it was 9M and in April they are at 14.1M tons - with only 12.5K tons of drilling (150 very shallow holes, all the mineralization is shallow, near surface).

They have an exploration target to grow this by another 8-12M tons in the near future - i.e., they hope to be in the mid 20's this year and over 30M tons next year.

Within their tenement boundaries are 3 main mineralized areas so far, but it is **Grandeo** area (9M tons) that will be the main focus of scoping study and initial mine plan.

Intercepts/thicknesses have been attractive at 1-1.2%.

They have Request for Proposal out for full feasibility study with brand name engineering consultants with experience in the space. Feasibility study will focus on mine development in 2019 and commissioning in 2020 around 1.3-1.5M tons for 10-year mine life at 150-180Kt 6% spod con.

Met work is strong – using NAGROM in W. Australia (same as Altura uses) -- getting 6% Li₂O grades.



Mine development will have Dense Media Separation and a flotation circuit. 83% recoveries expected.

Savannah is 138km from Port - 2nd largest port after Lisbon, which is accessible by brand new highway. They are currently getting quotes for shipping spodumene to China and Hamburg.

There is electricity on site and a lot of Hydro and renewable energy nearby at competitive cost/kwh.

Savannah is permitted for 7m tons of product - they have 30-year mining permit (from 2006).

Savannah's ore is quite comparable to Piedmont with similar feldspar and quartz alongside its plain vanilla lithium pegmatites. Savannah suggests these other minerals will benefit the project in the following ways:

1. reducing tailings volume – they also can do dry stacking so they won't have to de-water
2. by products/co-products - sell to ceramics industry in Portugal and Spain likely.

Ore has no mica and low iron content.

Savannah suggests **Altura** as an analogue from deposit type, production profile and re-rating potential as a spodumene producer. They talk about plain vanilla deposit in Europe, for Europe. But have done no real work/thinking in terms of converter possibilities except to say there is potential for it.

Financial Information

- Company Ticker: SAV.L
- Stock Price (6/5/18): £8.00
- Market Cap: £55M
- Shares Outstanding: 793M (95M of which are Options/Warrants)
- Average Volume: 1.2M Shares
- Consideration paid to date: AU\$2.5M cash + 40M shares. Potential milestone payment: AU\$1.5M cash + 20M shares on a 15Mt Mineral Resource
- Feasibility study will focus on mine development in 2019 and commissioning in 2020 around 1.3-1.5M tons for 10-year mine life at 150-180Kt (Target: 6% spodumene concentrate)

NOT INVESTMENT ADVICE. DO YOUR OWN RESEARCH



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