

Target: Ultra-Pure Lithium in Hard Rock

Opportunity: **Discovery Lithium, Inc.**

(CSE:DCLI / OTC:DCLIF / FSE:Q3Q0)

*Focused exploration in Canada's fast-growing
Nunavik hard rock lithium region*

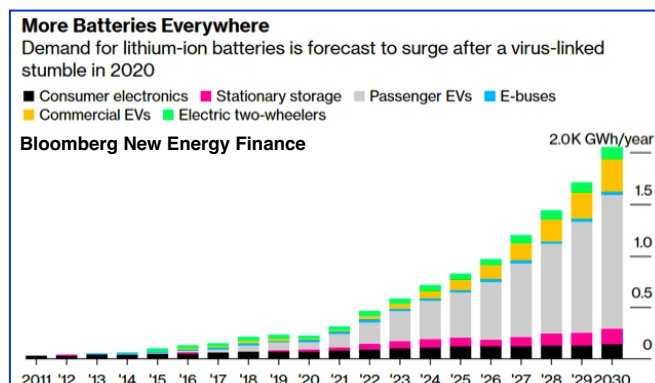
Spotlight On Lithium - The global demand for lithium has increased like never before. It is no secret that all major automobile companies and producers of lithium ion batteries are desperate for new sources of lithium to meet the exponential growth of global battery demand.



Goldman Sachs calls it “the new gasoline”. Energy experts have dubbed it the “oil of the future”. Others are calling it “white petroleum”. Investors worldwide are

seeing one of the greatest economic and technological revolutions unfolding right before their eyes and many are taking advantage of investment opportunities therein. **This is a massive game changer** as the world moves away from petroleum products toward battery-powered everything, stored mainly in lithium-ion batteries.

The Next Market Phase: Lithium Demand Set To Spike



The Canadian government said lithium demand is projected to increase 500% by 2050 due to the growing domestic battery manufacturing and future-oriented transportation ecosystem. (Source: Resource World Magazine, Q1 2023)

Large investments are flowing into the lithium supply chain from well-established major corporations. Major car manufacturers are planning to spend over **US\$350 billion** over the

next ten years during the adoption of Electric Vehicles (EVs). These plans are driven largely by environmental concerns, **new government policies for greenhouse gas reduction** and are supported by rapid technological advances that have improved battery costs, range and charging time.

The growing adoption of electric vehicles is driving the increasing demand for lithium, nickel and cobalt, all critical metals used as cathode materials for lithium-ion batteries in the automotive, energy and electronics industries. Strong growth in the sector is attributed largely to the electrification of the global transport industry, as the world shifts to low-carbon alternatives to traditional combustion engine vehicles. In many countries and blocs, deadlines have been imposed for the complete phase-out of new fossil fuel-powered road vehicles. In the UK, a ban on combustion engine vehicles is set to begin from 2030.

"In Europe, not only do we have the CO2 incentives, but governments' stimulus measures and accelerated 'green deals' look set to really push EV sales," **Fastmarkets.com's analyst William Adams stated.** "In addition, the introduction of many more models will provide buyers with more choice."

The sale of battery electric passenger cars is forecast **to reach 44 million units by 2035**, representing huge growth compared with the 7.3 million units sold in 2022. The total global sale of **battery electric commercial vehicles** reached approximately 400,000 units in 2022 and **is expected to grow to 7.6 million units by 2035**, according to GlobalData. The report finds that total EV vehicles sales globally are forecast to reach **51.6 million in 2035**. Products that reduce carbon emissions, including electric batteries, are globally expected to create a **\$23 trillion market over the next six years to 2030**. (Source: Global Data 0723)

Lithium will be one of the key drivers of the '**Fourth Industrial Revolution**' as many economists are calling it these days. **Lithium-related stocks on worldwide exchanges have rallied well in recent years.** Prices for lithium carbonate are making a resurgence now and lithium supply is expected to fall short of the demand for this metal by the end of 2024. (Source: The Northern Miner)

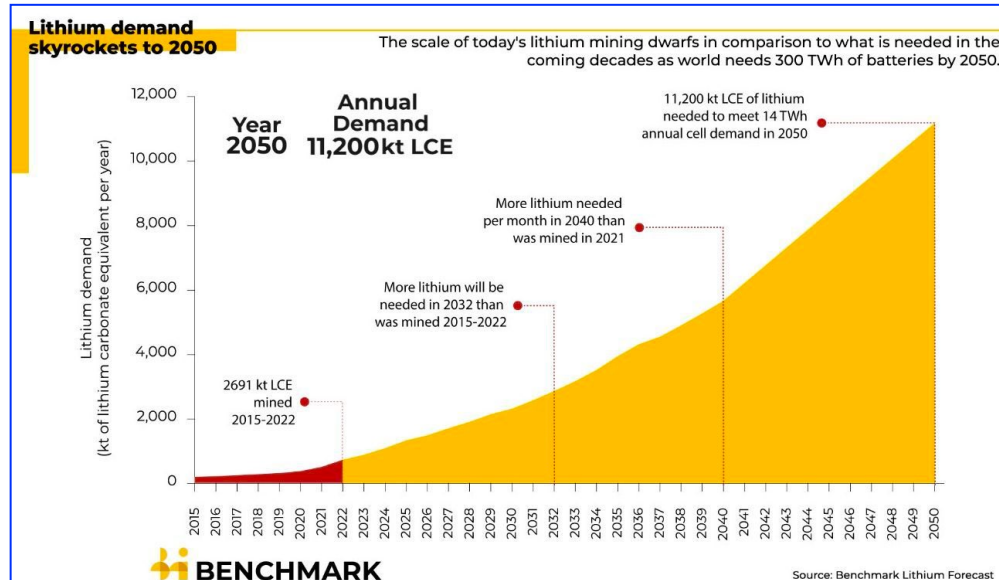
Discovery Lithium, Inc.

- KEY POINTS TO CONSIDER -

1. Lithium is the key element for Electric Vehicle (EV) Batteries.
2. Demand for lithium is increasing due to modern-day EV Mandates & Net Zero by 2030 commitments.
3. The purest, most valuable form of lithium is found in hard rock deposits.
4. Discovery Lithium has a giant land package in Canada's new hard rock lithium hotspot.
5. All Discovery Lithium properties were sourced by The New York Times 'Top Lithium Prospector', Shawn Ryan.
6. DCLI's plans for full-scale exploration & drilling are to commence early 2024.
7. The lithium exploration business is in its infancy; many more Li discoveries are greatly needed.
8. Hard rock lithium discoveries have generated incredible shareholder gains in multiple lithium stocks to date.

Volkswagen described hard-rock lithium mining as the “future-proof solution, both commercially & in terms of sustainability.” **Mining lithium metal is relatively inexpensive, yet it still has been added to the critical metals in 2020 due to its relative scarcity vs. high demand for the metal.**

(Source: Mining.com)



Lithium is considered a superior lightweight metal element used for its electrochemical properties as a charge carrier in the electric battery. Currently, there is **no known replacement element to achieve such effective performance for green automotive battery applications.** Forecasted EV battery demand growth is driving the need to significantly increase battery production globally. Even though a significant amount of capital has already been committed, further investment is expected to satisfy the forecasted growing supply chain demand for batteries to 2030. (Source: roskill.com)

Focus on Hard Rock Lithium Deposits

Lithium found in ‘hard rock’ is a part of minerals **hosted in pegmatites.** Mineral-rich pegmatites form when magma chambers cool and concentrate water and other minerals. This last fluid intrudes the rocks around the magma chamber and forms a seam of rock that can contain spodumene, a lithium-bearing mineral. **Lithium from pegmatites can be used to create lithium carbonate or lithium hydroxide, the latter of which is becoming more desirable by battery producers.**

Benefits Of Hard Rock Lithium Deposits:

- **More flexibility:** The lithium hosted in spodumene can be processed into either lithium hydroxide or lithium carbonate. Brines initially can only be processed into carbonate, and then can be further processed into hydroxide however at an additional cost
- **Faster processing:** Brines can take a lot longer to process due to the evaporation required making for an inconsistent process compared to spodumene

- **Higher quality:** Spodumene typically hosts higher lithium content in comparison to most brines
- **Comparable costs:** While each mining operation may have its own defining factors regarding profitability, hard-rock operations utilize low-cost traditional mining techniques

A Recent Hard Rock Lithium Stock Win

The hard rock lithium discovery made by Patriot Battery Metals (chart below) made many of its shareholders multi-millionaires and have realised capital gains of up to 6,000% or greater. This is a starting example of what we see happening more and more as exploration and drilling for lithium in Quebec/Nunavik unfolds in the month and years to come.



The opportunity right now for investors to **own a piece of the Lithium market** is similar to incredible opportunities seen in the Internet boom of the early 2000s, the Uranium run of 2006/7, the Cannabis boom, as well as the recent mad rush into the Crypto world. **No wonder the Big Boys want a piece of the action:**

Multi-billionaires Bill Gates, Jeff Bezos & Richard Branson are among key investors in privately-held **KoBold Metals**, an aggressive battery metals-focused, exploration and development company.

KoBold is very active in Nunavik near Discovery Lithium's properties, *and their most recent capital raise was for US\$200 million!*

We at **The Venture Letter™** are keen to introduce a company that has **compelling plans for its lithium properties**, one or more of which could be host to the newest hard-rock lithium discoveries in the world.

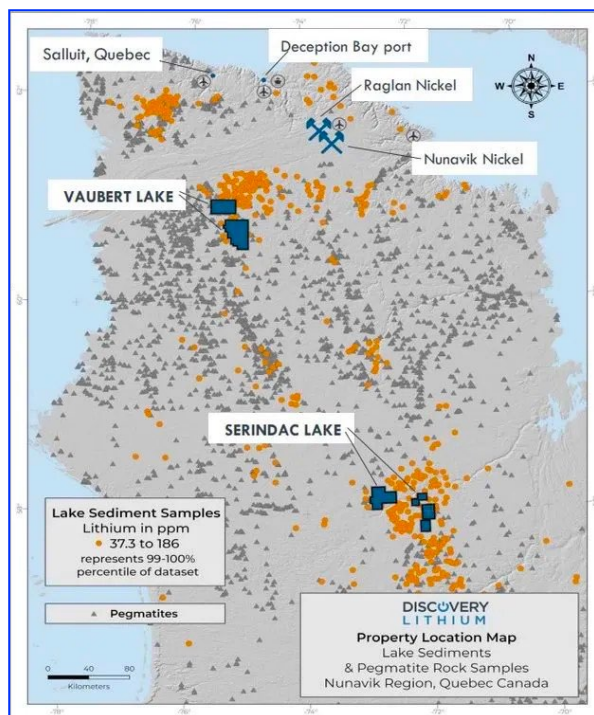
Discovery Lithium, Inc.

Four Large, Lithium-Bearing Properties in the Exciting, New Hard Rock Lithium Region of Nunavik, Quebec

We were recently introduced to **Discovery Lithium, Inc.**, listed on the Canadian Securities Exchange (**CSE:DCLI**), OTC Markets (**OTC:DCLIF**) and also on the Frankfurt Stock Exchange (**FSE:Q3Q0**). The company is preparing for a full listing on the OTCQB in its pursuit of greater market liquidity and a broader shareholder base.

The Vaubert & Serindac Lakes Lithium Projects, Nunavik

Highly recognized, award-winning prospector and project proponent Shawn Ryan has led the way in identifying **the mining-friendly Nunavik region** through his extensive lake-soil studies and he has advised the Company regarding the use of best practice fieldwork programs. **Discovery Lithium's massive claim holdings** are located directly on some of **the highest lake-bottom sediment anomalies in the entire province**. This data represents **99th percentile lithium** & cesium as identified in the official Quebec government ministry database.

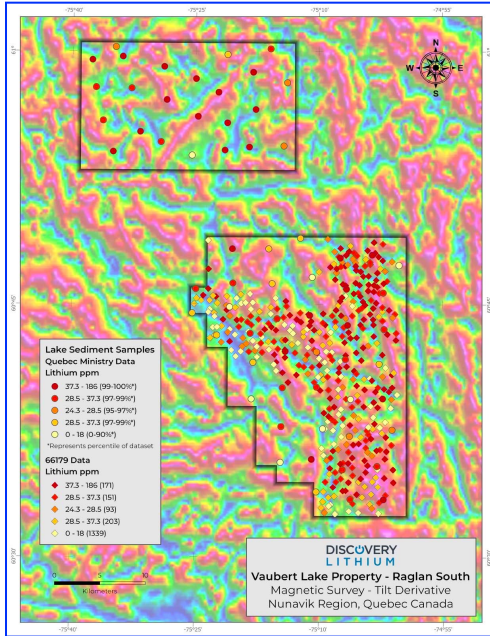


“We’re following the science here and it’s extremely compelling. We’re not going after a ‘needle in a haystack’. Nunavik is virgin territory, never previously explored for lithium. This massive area in the top third of Quebec could prove to be the ‘haystack’ of mineralized lithium systems in all of Canada.”

Mr. Shawn Ryan
Head Prospector / Technical Advisor
The New York Times ‘Prospector of the Year’



Discovery Lithium has engaged Ground Truth Exploration to deploy experienced research teams onto Discovery’s Nunavik properties for an extensive mapping and sampling campaign. These were previously determined to be an **excellent location for rare-element pegmatites** with very high lithium, cesium, and rubidium lake sediment samples. Based on these results **the company will**



develop drill targets and logistics for follow-up campaigns aimed at developing the properties for future valuation purposes.

The Lac Belanger & Lac Ferland Lithium Projects, Eastern Quebec

The Lac Belanger & Lac Ferland projects combined encompass **80 square kilometers of land**. The claims are located on metasedimentary terrane near fractionated granites that are **potential source intrusions for lithium in pegmatites**. Pegmatites are described in the region by the geological survey of Quebec and were mapped to the south along the coast where mapping occurred in detail. **Lithium in lake sediments on the claims is up to 15 times more enriched with respect to the immediate surroundings.**

The Route Du Nord Lithium Project, James Bay

The Route Du Nord project encompasses approximately 60 square kilometers and has excellent infrastructure access with a hydroelectric installation located 5 km to the south. **Roughly 35km to the east is the world-renowned Whabouchi Lithium Deposit** co-owned by Investissement Quebec & Livent Corporation (NYSE:LTHM).

This deposit occurs within a regional thrust fault that extends and terminates in the Valiquette pluton. **The fault acted as a pathway for LCT (Li-Cs-Ta) pegmatite melt at the Whabouchi lithium project** and may host other LCT pegmatites along strike. The Route Du Nord project captures the continuation of the thrust fault into the Valiquette Pluton, making it highly prospective for LCT pegmatites.



The Lac Robertson Lithium Project, Eastern Quebec

The Lac Robertson project encompasses 18 square kilometers of land. **Lake bottom sediments of Lac Robertson are highly anomalous in lithium** and the lake overlies a large gravity and RMI (residual magnetic intensity) anomaly. Taken together these anomalies imply a potential fertile source intrusion underneath Lac Robertson. The Lac Robertson Project covers potential pegmatites visible in satellite imagery.

“In order to produce a half million electric cars per year, we would basically need to absorb the entire world’s lithium production.”

Elon Musk
CEO Tesla, Inc.

Discovery Lithium, Inc.

CSE: DCLI OTC: DCLIF FSE: Q3Q0

**Prior to an investment decision,
consider the following about Discovery Lithium:**

- ◆ **The company owns two district-scale lithium assets in northern Quebec,** acquired by PDAC Prospector of the year Shawn Ryan (who has also found multiple-billion-dollar resources in Canada);
- ◆ Discovery Lithium’s massive claim holdings are **located directly on some of the highest lake-bottom sediment lithium anomalies in the entire province;**
- ◆ The company is **fully funded for a 2024 exploratory drill program;** pre-drilling exploration efforts are already underway;
- ◆ Discovery’s Route Du Nord lithium-in-pegmatite project is located in **James Bay near Patriot Battery Metals historic Lithium Pegmatite discovery;**
- ◆ The company has a nice, **tight capital structure** and is not heavily diluted;
- ◆ Discovery Lithium is in the right place, at right time; Canada and the US are bolstering energy independence with **government funding going into nearby projects;**
- ◆ Elevated lithium values identified in 132,940 samples (out of ~175,000 province-wide). **Discovery Lithium’s claims include some of the top lake sediment anomalies** (in the 99.9 percentile) of the entire provincial database;
- ◆ Owns a diversified lithium Asset Portfolio spread **across lithium bearing hotspots** in Quebec;
- ◆ The company is run by **strong management team** with a proven track record in mineral exploration
- ◆ There is not enough lithium being mined in North America to meet demand. Canada now has **the 8th largest lithium in pegmatite discovery in the world (PMET).** Many more lithium discoveries are required to even come close to supply needs

US President Biden Commits \$174 Billion to EVs

US President Joe Biden recently unveiled an outline of his infrastructure plan, and it includes a proposed \$174 billion investment in electric vehicles. Following is an important excerpt from Biden's plan:

*“Create good jobs electrifying vehicles. U.S. market share of plug-in electric vehicle (EV) sales is only one-third the size of the Chinese EV market. The President believes that must change. He is **proposing a \$174 billion investment to win the EV market.** His plan will enable automakers to spur domestic supply chains from raw materials to parts, retool factories to compete globally, and support American workers to make batteries and EVs. It will give consumers point of sale rebates and tax incentives to buy American-made EVs, while ensuring that these vehicles are affordable for*



*all families and manufactured by workers with good jobs. It will establish grant and incentive programs for state and local governments and the private sector to **build a national network of 500,000 EV chargers by 2030**, while promoting strong labor, training, and installation standards. His plan also **will replace 50,000 diesel transit vehicles and electrify at least 20 percent of our yellow school bus fleet** through a new Clean Buses for Kids Program at the Environmental Protection Agency, with support from the Department of Energy. **These investments will set us on a path to 100 percent clean buses**, while ensuring that the American workforce is trained to operate and maintain this 21st century infrastructure. Finally, it **will utilize the vast tools of federal procurement to electrify the federal fleet**, including the United States Postal Service.*

The investment will include funds to help automakers secure materials for electric vehicle production and converting factories. **This announcement confirms that the initiative will also revamp the consumer incentive to buy electric vehicles.** The summary also confirms that this incentive is only

going to be for “American-made” electric vehicles. (Source: electrek.co)

Final Thoughts

Discovery Lithium, Inc. (CSE:DCLI / OTC:DCLIF / FSE:Q3Q0) has the potential to be the next micro-cap lithium stock that can deliver its shareholders a strong return on investment through the discovery of a new hard-rock lithium discovery in Canada. **The world needs more lithium** and demand for lithium-ion batteries is booming and only expected to go higher.

If Discovery Lithium’s projects prove to be host to significant, new lithium discoveries through exploration and drill testing, the value created **would most certainly be reflected in its share price**. Such events would more than likely have a major, positive impact on Discovery Lithium’s shareholder value. The company’s market capitalization was a mere C\$20.7 million at the time of this report.

As well, **the company has only just commenced its 2023/24 market awareness campaign** to introduce interested, new investors to its stock. With a fast-growing investor audience in North America and Europe, further results from lithium exploration coming, and drill testing planned on the highest priority, hard rock lithium targets, **maximized shareholder value** will be realized along with even greater liquidity.

Discovery Lithium, Inc.

TSXV:DCLI OTC:DCLIF
Frankfurt: Q3Q0

Year High/Low - C\$0.175 - C\$0.83

Market Cap - C\$20.7 million

Shares Issued - 41.5 million

“The Electric Revolution is here and it is not going away. The growing demand for lithium to manufacture lithium ion batteries should beat out and then ultimately replace the demand for most petroleum products. Therefore, in our opinion, lithium is a key commodity to get behind now and into the future.”

The Venture Letter
(October, 2023)

The Venture Letter™ will be providing follow-up reports on the company in the weeks ahead as further news and updates come from Discovery Lithium. We are excited to watch this lithium-focused company as it moves into **focused exploration and drilling**.

For more information on **Discovery Lithium**, we encourage you to contact the company via phone at +1(778) 868-2226 or email at info@discoverylithium.com. Visit the company’s corporate website at www.discoverylithium.com

Good luck and good hunting.



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The CEO of Discovery Lithium, Inc., Mr. Michael Gheyle has reviewed and approved the information contained in this report.