

Ultra Lithium scores a hat trick

One of the most telling considerations regarding a new discovery is whether it is close to an existing producer with confirmed geology. If there is a mine nearby, and the sites can be shown to share features, it is a massive boost to the likelihood that the project will succeed. Ultra Lithium Inc. (TSXV: ULI) have placed their bets on a stretch of land just outside of Nevada's renowned Clayton Valley, the home of the only brine-based lithium producer in the United States.

Clayton Valley's geology means that it has amassed significant pools of lithium over time in liquid brine pools, and although explorers have been digging at it for years, Albermarle's Silver Peak mine remains the sole output, so to find an experienced company exploring a promising resource only sixteen miles north deserves at least a little investigation.

Ultra Lithium are busy advancing three distinct lithium-bearing sites right across the Americas, from Canada to Argentina, but are presently focused on the area closest to Tesla's Gigafactory in Nevada, named the Big Smoky Valley project. The surrounding land shares a similar weathering history and geology to Clayton Valley itself, hinting that large quantities of lithium-rich brines exist throughout the area.

The price of lithium carbonate has more than tripled since 2015, and with nothing but growth from the mobile device, electric vehicle and energy storage markets, is expected to continue to rise for a number of years. Current battery products are seen by many as problematic, and researchers the world over are searching for a more reliable and long-lasting solutions. The majority of the ideas currently being circulated depend on battery-grade lithium being available in

large quantities, and Tesla's commitment to lithium-ion as a viable long-term answer was evident in the construction of the Gigafactory.

The existence of a lithium battery factory of such a scale means that Tesla will spend as much as it needs to in order to put it to good use. There's no way that Elon Musk is going to spend \$5bn on a facility with a limited shelf-life, and the security afforded by this fact alone has spurred lithium explorers and investors on for years. The management team at Ultra Lithium are ensuring they have a strong spread of assets available to meet the resulting escalating demand in a low-risk manner.

In addition to the Big Smoky Valley brine resource, the company boasts a hard rock project in Canada, and last year acquired a salar in the Argentina section of the famed "lithium triangle." The diversity afforded by owning multiple resource-types makes for a robust option for equity investors looking to get in at the earliest stages, as production is likely to be achieved at multiple sites. Clayton Valley is home to the only producing lithium mine in the States, and the lithium triangle hosts around half of the world's lithium reserves; Ultra Lithium have certainly used their experience to set their sights on the most promising areas they could find.

The presence of a management team that features award-winners, stretches of land already famous for lithium production, and a diversified portfolio of assets to develop all lead me to believe that Ultra Lithium will take the junior world by storm over the next few years, confidently butting heads with the heavyweights in the fight for Tesla's affections.