

Nevada's Lithium Hub a new California Gold Rush?

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Over the last two years, twenty-five different companies have made over 10,500 lithium claims across the state of Nevada; not exactly surprising since the battle-born state enjoys unmatched infrastructure, skilled miners, relatively low taxes, consistent permitting protocols, a social license to operate and a safe environment, whilst also being home to the only brine-based producing lithium operation in North America. Throw in the proximity to Mr. Musk and it's no wonder Nevada's "Lithium Hub" is experiencing a rapid land grab reminiscent of the California Gold Rush.

Nevada Energy Metals Inc. (TSXV: BFF | OTCQB: SSMLF) ("Nevada Energy Metals") has always strived to be a leader in the exploration and development of viable lithium deposits, continuously sourcing areas of the Nevada desert. Dry lakebeds and structural depressions are abundant in Nevada's basin, and these "playas" have recently become the focus for aggressive lithium exploration, particularly in the vicinity around Clayton Valley, home to North America's first lithium brine producing mine.

Tesla's Gigafactory is expected to generate billions of dollars of economic activity for the Reno area, while needing a constant supply of raw materials. Nevada was a natural choice for the Gigafactory since the area has a long mining history and is known to be lithium-rich. Moreover, Tesla has always made it clear that they would source from local suppliers. The Black Rock Desert region is no stranger to the mining industry. There are active operations for gypsum, gold

and opal in the immediate area, and following positive soil sampling results at their Black Rock project, 71 new claims have been added. The results showed that dissolved lithium had been transported into this portion of the Black Rock Desert and is available for potential concentration by evaporative brines.

It will take several years of studies, permits and pumping before a refined product can be achieved. However, even in times of slow global growth, the increasing number of battery applications has resulted in demand for lithium remaining robust. Some of the most important emission-reduction solutions rely on energy storage being possible at larger scales, meaning a strong environmental impetus exists to identify as many lithium sources as possible.

To this end, Nevada Energy Metals currently manages an impressive portfolio including:

- 78 claims in Clayton Valley
- 100 claims at the Teels Marsh West Project
- 155 claims at the San Emidio Desert Project
- 710 claims at the Dixie Valley Project
- 160 claims at the BSV Lithium Project
- 199 claims at the Black Rock Desert Property

Nevada Energy Metals is expected to “cherry pick” its most promising claims for in-house development just in time for lithium supply to really get going. Lithium prices have been steadily climbing for a while now and many projects are slated to come online this year, creating the potential for prices to level off the curve.

Earlier this month, the Tesla Gigafactory was officially switched on; the desert behemoth began to consume the fruits of the great lithium rush and production is only set to increase. Tesla has revealed its intentions to ramp up capacity by the end of 2018 to the point where its production

of lithium-ion cells tops 35 GWh/year. To add perspective of the magnitude of this Gigafactory, this volume represents the current combined capacity of all the world's electric battery suppliers! The demand for lithium-producing brine projects at this point will no doubt shine some fortune on Nevada Energy Metals.