

Alset Energy's "encouraging lithium results" in Gigafactory country

Three years ago, Elon Musk announced he was building the world's largest lithium-ion battery manufacturing facility and the consequences were, of course, many. The Nevada Gigafactory site would be the factory-to-end-all-factories and junior mining companies the world over flocked to meet its hypothetical demands, driven by the promise to push lithium battery demand to an unprecedented scale.

Tesla quickly became a symbol that the cleantech world could be bigger and more powerful than petroleum. The very idea of it shifted the trajectories for both the automotive and energy-storage industries. This shift is behind by a projected 60% increase in electric vehicle ("EV") sales for this year; all without a single battery being produced.

2017 should see the Colossus of Sparks roll its conveyors for the first time, ideally transitioning from promises to proof – and there is a lot to prove. Currently, there are only three notable lithium brine regions globally, namely; South America's Lithium Triangle, Clayton Valley – not far from Tesla in Nevada – and Tibet. Apart from these three, Tesla has shown some interest in Mexican lithium production and Allan Barry Laboucan, CEO of Alset Energy Corp. (TSXV: ION) ("Alset") believes that he can kick-start the area into becoming the fourth globally renowned lithium brine region.

Despite the fact that Mexico has no history of lithium production, Alset recently took the decision to sell its one promising lithium project in Ontario to focus on the Mexican salars. The lithium/potassium bearing salars within these concessions have produced common table salt since the 16th

century. Who knew then that this brine contained elements that would someday rival silver in value? These elements of course are lithium and potassium

What is amazing about the region is the high lithium concentration in the lagoon. Mexican government scientists analysed four samples of the lagoon water, showing concentrations up to 21,000 mg/l. For perspective, Albermarle's Silver Peak operation in Nevada's Clayton Valley concentrates lithium to about 7,000 mg/l by evaporation before feeding it to the lithium chemical production operation. So, without doing any concentrating, the salt plant produced a solution three times stronger than what is required for lithium chemical production.

Another interesting revelation was that the samples all contained silver, ranging from 0.5 ppm to 4.3 ppm. Geothermal activity is one of the first order characteristics in the preliminary deposit model for formation of lithium brines. The silica sinters and carbonate growth textures identified at the Mexican salars are ample evidence of the geothermal activity required. It is worth noting that this same geological process is also what typically produces many gold-silver deposits and these Mexican salars are situated in one of the most prolific silver producing regions in the world. Alset medium term plans is to follow up on the silver potential of these projects.

Allan Barry Laboucan, President and CEO of Alset shared the following thoughts on the project:

"We have just started the first phase in testing the chemical composition of our salars and our team is delighted with the results. In addition to the encouraging lithium results the potassium grades are encouraging as well. Currently Mexico imports all of its potassium and a domestic source would not only be a cost saver for Mexico but would create job opportunities in a crucial commodity for the farming sector. Furthermore, the silver results suggest

there may be potential for precious metals and further work is required to assess this potential.”

Laboucan went onto reiterate that Alset is in the very early stages of assessing the realistic potential of the projects and went onto share his excitement about the results so far.

Given the current test results, we are also excited about the project's potential. While we caution that it is indeed early days, we are looking forward to the upcoming sample leach tests prior to drilling at several of the salars in the early part of 2017.