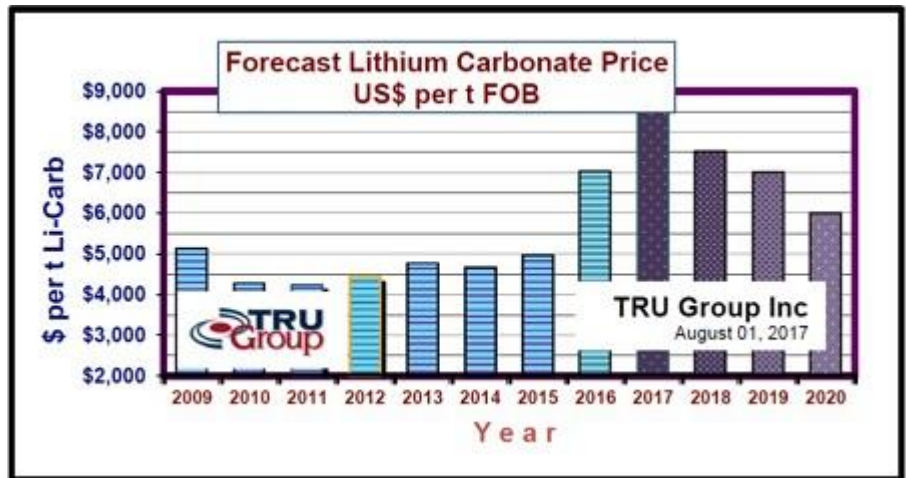PRESS RELEASE

Lithium Industry Chaos Troubling as Prices Turn Unreal
TRU says most Lithium Space Players at fault.

***TRU Group Inc, Tucson AZ, USA Toronto ON release May 29, 2017* – Lithium engineering consultants TRU says lithium player "talking-up" prices have distorted the global lithium market.** There has been a significant lithium price uptick through the last year due to the Tesla hype, lithium junior failures and the effects of the lithium big-three oligopolistic strategies. "However, the effects are temporary and the lithium-players' recent success in the rampant talking-up of lithium prices to an unreal $10,200 per t-carb

FOB Chile 1st Q 2017 will not work longer term as the fundamentals dictate otherwise", says TRU! TRU predicts flat lithium prices medium term.

"Its not just unreal lithium prices but also other industry discrepancies that should trouble observers", says Anderson. There has been only one successful new plant start-up since the lithium push began in 2009 and a number of complete failures. There have been over 100 attempts by mining juniors to get into lithium production – but nearly all have not met promised targets and most demonstrated minimal progress. Despite this, there is little obligation on lithium companies to explain (let alone fix) errors in their documents. Lithium juniors are permitted to block investors from selecting their own consultants with no consequences and, similarly, lending banks allow borrowers a say in due diligence consultant selection. Consultants are supposed to be independent but appear on junior websites as advisors. "With certainty, these situations are an issue and contribute to the chaos in the lithium industry", says Anderson.

Most lithium is extracted from brine so one problem is that, "the population of quaternary geologists qualified to tackle fluid geochemistry and basin hydrology are a rare breed" says TRU's Dr Ihor Kunasz. A case in point is the large numbers of claims, which have been laid around the Clayton Valley Nevada lithium deposit, which has been operating since 1968 and has seen a substantial decline in lithium concentration. To hope to identify economic lithium in the peripheral sectors illustrates the lack of understanding of fundamental principles of geochemistry and hydrology. The obvious conclusion is that the present efforts in locating a new economic lithium deposit will likely fail.

The most pervasive error in brine deposit assessment is due to the NI 43-101 requirements imposed by the CIM. Explorers are required to define *the pores of the salar matrix* and *salar brines contained within a matrix*. These are totally irrelevant and result in expensive coring and laboratory testing because of the need to include such data in a 43-101 report [1]. Unfortunately, these do not provide information on **reasonable prospects of economic extraction**. The only focus of exploration is the identification of aquifers, their flow potential and their chemistry in order to assess whether or not there is an economic brine deposit.

[1] Ihor A. Kunasz Ph.D (Geology). January 25, 2013 "BRINES RESOURCES AND RESERVES - Analysis of and Practical Recommendations for CIM's Publication "Best Practices for Resource and Reserve Estimation for Lithium Brines".

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TRU Group Lithium & Brine Team

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