ALSET ENERGY

— CORP —

(formerly Benton Capital Corp.)
(A Development Stage Enterprise)

Financial Statements
June 30, 2016 and 2015

(Stated in Canadian Dollars)

ALSET ENERGY CORP.
(formerly Benton Capital Corp.)
(A Development Stage Enterprise)

June 30, 2016

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Wasserman Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Alset Energy Corp. (formerly Benton Capital Corp.):

We have audited the accompanying financial statements of Alset Energy Corp. (formerly Benton Capital Corp.), which comprise the statements of financial position as at June 30, 2016 and 2015 and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alset Energy Corp. (formerly Benton Capital Corp.) as at June 30, 2016 and 2015 and the results of its operations, changes in equity and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Wasserman Ramsay

Markham, Ontario
October 19, 2016

Chartered Accountants
Licensed Public Accountants

ALSET ENERGY CORP.
(formerly Benton Capital Corp.)
(A Development Stage Enterprise)

STATEMENTS OF FINANCIAL POSITION

As at	**June 30, 2016 $**	June 30, 2015 $
ASSETS		
Current		
Cash	**205,717**	30,492
Temporary investments (note 4)	**692,417**	1,094,552
Accounts and other receivables	**24,480**	12,218
Loan receivable (note 5)	**-**	35,000
Prepaid expenses	**3,452**	5,627
	926,066	1,177,889
Exploration and evaluation assets (note 6)	**158,284**	1
	1,084,350	1,177,890
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	**152,634**	71,380
Shareholders' Equity		
Capital Stock (note 8)		
Share capital	**2,229,308**	2,099,308
Reserves	**7,417,539**	7,307,904
Deficit	**(8,715,131)**	(8,300,702)
	931,716	1,106,510
	1,084,350	1,177,890

See Nature of Operations and Going Concern – Note 1
Subsequent Events – Note 17

These financial statements are authorized for issue by the Board of Directors on October 19, 2016. They are signed on the Corporation's behalf by:

"Stephen Stares" President, Chief Executive Officer and Director
" Clint Barr" Director

See accompanying notes to the financial statements

ALSET ENERGY CORP.
(formerly Benton Capital Corp.)
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STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended June 30

	2016 $	2015 $
EXPENSES		
Advertising and promotion	39,213	21,640
Share-based payments (note 11)	109,635	66,906
Management fees (note 9)	-	35,000
General and administrative	25,591	18,141
Professional fees	52,644	64,687
Consulting fees (note 9)	129,505	18,400
Stock exchange and filing fees	7,110	11,597
Write-down of exploration and evaluation assets (note 6)	-	678,771
Pre-acquisition exploration and evaluation expenses	26,533	-
	(390,231)	(915,142)
Other income (expense):		
Interest and investment income	10,802	17,075
Impairment loss on loan receivable (note 5)	(35,000)	-
Acquisition costs on abandoned transaction (note 16)	-	(80,000)
	(24,198)	(62,925)
Loss and comprehensive loss for the period	(414,429)	(978,067)
Loss and comprehensive loss per common share – basic and diluted	(0.01)	(0.03)
Weighted average shares outstanding – basic and diluted (note 15)	38,262,447	38,136,764

See accompanying notes to the financial statements

ALSET ENERGY CORP.
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STATEMENTS OF CHANGES IN EQUITY
For the years ended June 30, 2016 and 2015

	Share Capital			Retained earnings (deficit)	Total shareholders' equity
	Number	Amount	Reserves		
		$	$	$	$
Balance at June 30, 2014	**76,273,531**	**2,099,308**	**11,510,998**	**(7,322,635)**	**6,287,671**
Share consolidation: 1 for 2	(38,136,767)	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(978,067)	(978,067)
Distribution of Coro Mining Corp. shares pursuant to Plan of Arrangement (note 7)	-	-	(4,270,000)	-	(4,270,000)
Share-based payments	-	-	66,906	-	66,906
Balance at June 30, 2015	**38,136,764**	**2,099,308**	**7,307,904**	**(8,300,702)**	**1,106,510**
Issued in connection with property acquisitions	1,000,000	130,000	-	-	130,000
Loss and comprehensive loss for the period	-	-	-	(414,429)	(414,429)
Share-based payments	-	-	109,635	-	109,635
Balance at June 30, 2016	**39,136,764**	**2,229,308**	**7,417,539**	**(8,715,131)**	**931,716**

See accompanying notes to the financial statements

ALSET ENERGY CORP.
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STATEMENTS OF CASH FLOWS
For the years ended June 30

	2016 $	2015 $
CASH FLOWS FROM (USED IN):		
OPERATING ACTIVITIES		
Loss and comprehensive loss for the year	(414,429)	(978,067)
Share-based payments	109,635	66,906
Write-down of exploration and evaluation assets	-	678,771
Net change in non-cash working capital balances related to operating activities (note 12)	106,167	(180,260)
Cash flows used in operating activities	(198,627)	(412,650)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(28,283)	-
Cash flows used in by investing activities	(28,283)	-
Decrease in cash and cash equivalents	(226,910)	(412,650)
Cash and cash equivalents - beginning of year	1,125,044	1,537,694
Cash and cash equivalents- end of year	898,134	1,125,044
Cash and cash equivalents consists of the following:		
Cash	205,717	30,492
Temporary investments	692,417	1,094,552
	898,134	1,125,044

Supplemental cash flow information (note 12)

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN:

Alset Energy Corp. (the "Company") (formerly Benton Capital Corp.) was incorporated on July 10, 2003 under the laws of British Columbia and is a development stage public company whose shares began trading on the TSX Venture Exchange in April of 2005. Its principal business activities are the acquisition, exploration and development of mineral properties in Canada.

Alset's head office is located at 684 Squier Street, Thunder Bay, Ontario, P7B 4A8.

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

	June 30, 2016	June 30, 2015
Working capital	$ 773,432	$1,106,509
Deficit	$(8,715,131)	$(8,300,702)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Statement of Compliance to International Financial Reporting Standards ("IFRS")

These financial statements, including comparatives, have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Presentation

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements including comparatives have been prepared on the basis of IFRS standards that were in effect on June 30, 2016.

The standards that are effective in the annual financial statements for the year ending June 30, 2016 are subject to change and may be affected by additional interpretation(s).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in Canadian dollars , which is also the functional currency of the Company.

Financial Instruments

Financial assets
The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category are as follows:

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of earnings in the period of determination.

Fair value through profit or loss - This category includes derivatives, and investments acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of comprehensive income (loss).

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive earnings. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive earnings and recognized in the statement of comprehensive income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of earnings.

Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

Fair value hierarchy:

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company has valued all of its financial instruments using Level 1 measurements.

Impairment of financial assets:

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period.

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term investments, highly liquid investments that are readily convertible into known amounts or cash and which are subject to an insignificant risk of changes in value.

Exploration and Evaluation Assets

Exploration and evaluation assets include the costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. The Company follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and crediting all revenue received against the cost of related claims. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the income statement.

Capitalized costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The aggregate costs related to abandoned mineral claims are charged to operations at the time or any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Impairment of non-financial assets

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair values less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value to their present value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less that its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Revenue Recognition

Operator fees on mineral properties are earned based on an agreed upon percentage of development expenses incurred on specific properties. Recognition of all revenue is subject to the provision that ultimate collection is reasonably assured at the time of recognition.

Interest

Interest income and expenses are reported on an accrual basis using the effective interest method.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in joint ventures is not provided if the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Foreign Currency Translation

Accounts of foreign operations are translated as follows:

(i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
(ii) Long-term investments carried at fair market value are translated at the rate of exchange in effect at the balance sheet date;
(iii) Non-monetary assets and liabilities, and equity are translated at historical rates; and
(iv) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

Gains and losses on re-measurement to the functional currency are included in the results of operations for the period.

Share-based payment transactions

The Company operates equity-settled share-based remuneration plans for its employees, directors and consultants. None of the Company's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date

and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to 'reserves'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Flow-Through Financing

The Company raises equity through the issuance of flow-through shares. Under this arrangement, shares are issued which transfer the tax deductibility of mineral property exploration expenditures to investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in the statement of loss and comprehensive loss. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a maximum period.

Segment reporting

An operating segment is a component of an entity (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (ii) whose operating results are regularly reviewed by the entity's management, and (iii) for which discrete financial information is available. The Company has one reportable operating segment being the acquisition, exploration and development of mineral properties.

Operating Expenses

Operating expenses are recognized in profit and loss upon utilization of the services or at the date of their origin.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the date of the statement of financial position that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. the recoverability of amounts receivable and prepayments which are included in the statement of financial position;

ii. the carrying amount and recoverability of exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available;

iii. the inputs used in accounting for share-based payment expense in the statement of comprehensive loss; and

iv. the provision for income taxes which is included in the statements of comprehensive income (loss) and composition of deferred income tax assets and liabilities included in the statements of financial position at June 30, 2016.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.
- The point at which management determines that an impairment charge should be recognized on its investment in associates.

Earnings (loss) Per Share

Earnings (loss) per share is calculated on the basis of weighted average number of shares outstanding during the year. Diluted earnings per share are computed using the treasury stock method whereby the weighted average shares outstanding are increased to include additional shares from the exercise of warrants and stock options, if dilutive. For warrants and stock options, the number of additional common shares is calculated by assuming that outstanding warrants and stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance expense ("notional interest").

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

3. NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

The following standards are effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the consolidated financial statements.

IFRS 9, Financial Instruments: The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS (is effective for fiscal year ends beginning on or after January 1, 2018 with early adoption permitted. The Company has not early adopted this standard and is currently evaluating the effect, if any, this new standard will have on the Company's financial statements.

4. TEMPORARY INVESTMENTS:

	June 30, 2016	June 30, 2015
Money Market Mutual funds	$ 692,417	$ 1,094,552

These funds are available for exploration and other purposes upon the request of the Company.

The mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

5. LOAN RECEIVABLE:

During the year ended June 30, 2015, the Company advanced to Folium Life Science Inc. ("Folium") $35,000 with such funds being used to retain the option to lease the building that will accommodate Folium's production facility once approved. In addition, the funds were used to settle certain liabilities related to the completion of Folium's Health Canada Licensed Producer application.

During the year ended June 30, 2015, the Company terminated its agreement to acquire Folium as efforts by both parties to negotiate an extension of the agreement were not successful and the loan amounts advanced above became immediately repayable to the Company. Thus far, no repayments have been made by Folium and the collectability of the balance is doubtful and as a result the Company recorded an impairment loss in the current period in the full amount of $35,000.

In addition, as a result of the termination of the Folium agreement, the Company decided to retain its TSX Venture Exchange listing and will no longer pursue a Canadian Securities Exchange listing.

6. EXPLORATION AND EVALUATION ASSETS:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property for the year ended June 30, 2016 and the year ended June 30, 2015 is summarized in the tables below:

For the year ended June 30, 2016

		Lithium Salars – Mexico (a)	Wisa Lake (b)	Champion Graphite (c)	Goodchild (d)	Total
June 30, 2015 - Acquisition Costs	$	-	-	-	1	1
Additions		-	5,985	130,026	-	136,011
Writedowns/Recoveries		-	-	-	-	-
Subtotal	$	-	5,985	130,026	-	136,011
June 30, 2016- Acquisition Costs	$	-	**5,985**	**130,026**	**1**	**136,012**
June 30, 2015 - Exploration and Evaluation Expenditures	$	-	-	-	-	-
Assaying		-	3,356	418	-	3,774
Prospecting		-	7,607	1,729	-	9,336
Trenching		-	-	740	-	740
Aboriginal Consultation		-	449	-	-	449
Miscellaneous		3,200	2,803	1,970	-	7,973
Writedowns/Recoveries		-	-	-	-	-
Subtotal	$	3,200	14,215	4,857	-	22,272
June 30, 2016 - Exploration and Evaluation Expenditures	$	**3,200**	**14,215**	**4,857**	**-**	**22,272**
June 30, 2016 - Total	$	**3,200**	**20,200**	**134,883**	**1**	**158,284**

For the year ended June 30, 2015

		Goodchild (d)	Total
June 30, 2014 - Acquisition Costs	$	15,919	15,919
Additions			
Writedowns/Recoveries		(15,918)	(15,918)
Subtotal	$	(15,918)	(15,918)
June 30, 2015- Acquisition Costs	$	1	1
June 30, 2014 - Exploration and Evaluation Expenditures	$	662,853	662,853
Writedowns/Recoveries		(662,853)	(662,853)
Subtotal	$	(662,853)	(662,853)
June 30, 2015 - Exploration and Evaluation Expenditures	$	-	-
June 30, 2015 - Total	$	1	1

(a) Lithium Salars – Mexico

During the 2016 fiscal year, the Company signed a binding letter of intent ("LOI") to acquire the right to earn a 100% interest in Mexican lithium, potassium and boron brine salar assets located in Zacatecas and San Luis Potosi, Mexico that was under due diligence review during the 2016 fiscal year. After a review of all data and completion of a site visit by Alset and its advisors, the Company decided to acquire four large concessions containing seven top priority salars which include, Caliguey, La Doncella, Colorada, La Salada, Santa Clara, Saldivar and Chapala. Alset will acquire these assets through its wholly owned Mexican subsidiary, Grupo Minero Alset, S.A. de C.V., by paying the outstanding mining taxes on the four concessions in the amount of approximately US$112,000 (subsequently completed) and making the following payments of US$210,000 to the Optionor on the following schedule:

- US$20,000 on the Company providing the Notice of satisfaction of the due diligence (subsequently completed);
- US$25,000 on first anniversary of signing the Definitive Agreement;
- US$30,000 on second anniversary of signing the Definitive Agreement;
- US$35,000 on third anniversary of signing the Definitive Agreement;
- US$40,000 on fourth anniversary of signing the Definitive Agreement; and
- US$60,000 on fifth anniversary of signing the Definitive Agreement

The property will be subject to a 2.25% NSR in favour of the Optionor of which 1% can be purchased by the Company for US$250,000. Alset has agreed to pay a finders' fee to a third party of 10% based on the value of the cash payments above and the outstanding mining taxes. See Subsequent Events (note 17(i)).

(b) Wisa Lake Lithium

The Company holds via staking a 100% interest in the Wisa Lake lithium project located 80km east of Fort Frances, Ontario. The project is connected to Highway 11 (Trans Canada) located 65km north via an all weather road that crosses the centre of the project. The property is comprised of 5 claims totaling 75 units.

(c) Champion Graphite

The 100% owned Champion Graphite property is located 60km north of Kenora, Ontario, Canada and consists of 29 units in 2 unpatented mining claims. The Company acquired the project during the current fiscal year from Benton Resources Inc. ("Benton") (a company related by common directors and officers) by paying to Benton 1 million common shares of the Company and subject to a 2% Net Smelter Royalty ("NSR") in favour of Benton, one-half of which (1%) can be bought back by the Company for $500,000.

(d) Goodchild

The 100% owned Goodchild copper-nickel property was acquired by the Company by staking. The property consists of 209 claim units located 10km north of the town of Marathon, Ontario. During fiscal 2015, the Company determined that no further work was planned at the Goodchild property and as a result wrote off $678,771 in deferred exploration and evaluation expenditures. The project remains in good standing and the Company will sell, option or allow the project to lapse should nothing materialize.

7. INVESTMENT IN CORO MINING CORP.:

Details of the investment in Coro Mining Corp. for the years ended June 30, 2015 and 2016 is as follows:

	Shares \#	Carrying Amount $
Balance, June 30, 2014	61,000,000	4,270,000
Distribution to shareholders pursuant to Plan of Arrangement	(61,000,000)	(4,270,000)
Balance, June 30, 2015 and 2016	-	-

During the year ended June 30, 2015, the Company completed a Plan of Arrangement, whereby it, through a return of capital transaction, distributed the 61 million common shares of Coro to shareholders of the Company on a pro-rata basis. This distribution was approved at the Company's annual general and special meeting of shareholders on July 8, 2014 and was completed on July 24, 2014 to shareholders of record on July 11, 2014 on the basis of 0.7998 shares of Coro for every one (1) share of Alset held. At the time, the shares of Coro were trading at a price of $0.07 per share. The distribution amount of $4,270,000 was recorded in equity as a reduction in reserves. The Company has retained 1,566,623 warrants, each warrant entitling the Company to purchase a common share of Coro at an exercise price of $0.15 until December 20, 2016, which are carried at a nominal amount in these financial statements.

8. CAPITAL STOCK:

(a) Share Capital

Authorized:

Unlimited Class A common (share class created solely for purposes of the Plan of Arrangement)
Unlimited Class B common (share class created solely for purposes of the Plan of Arrangement)
Unlimited common shares

Issued:

Nil Class A common
Nil Class B common
39,136,764 common shares

During the year ended June 30, 2015, the Company completed a consolidation of its share capital on the basis of 1 for 2. Prior to the consolidation, the Company had 76,273,531 shares issued and outstanding. The effect of the share consolidation on the outstanding common shares and both the number of stock options and their respective exercise prices have been reflected in these financial statements.

(b) Stock Options

Details of stock option transactions for the year ended June 30, 2016 and the year ended June 30, 2015 are detailed below.

	# of Options	Weighted Average Exercise Price
Balance, June 30, 2014	10,760,000	$0.24
Share consolidation: 1 for 2	(5,380,000)	-
Expired during the year	(1,382,500)	$0.46
Balance, June 30, 2015	3,997,500	$0.48
Granted during the year	2,845,000	$0.11
Expired during the year	(1,585,000)	$0.86
Balance, June 30, 2016	5,257,500	$0.17

As at June 30, 2016 the following stock options were outstanding:

Expiry Date	Exercise Price	June 30, 2016 # of Options	Options Exercisable
September 4, 2017	$0.30	912,500	912,500
February 3, 2019	$0.20	1,500,000	1,500,000
April 21, 2021	$0.07	2,395,000	598,750
May 26, 2021	$0.35	450,000	112,500
		5,257,500	3,123,750

(c) Stock Option Plan

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase up to a maximum of 7,762,353 common shares of which 5,257,500 are outstanding at June 30, 2016. The Plan provides that:

i) any options granted pursuant to the Plan shall expire no later than five years after the date of grant;

ii) any options granted pursuant to the Plan shall be non-assignable and non-transferable;

iii) the number of common shares issuable pursuant to the Plan to any one person in any 12 month period shall not exceed 5% of the outstanding common shares;

iv) the number of common shares issuable pursuant to the Plan to any one consultant in any 12 month period may not exceed 2% of the outstanding common shares;

v) the number of common shares issuable pursuant to the Plan to persons employed in investor relation activities may not exceed 2% of the outstanding common shares in any 12 month period.

vi) the Plan provides that options shall expire and terminate 30 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee's personal representative shall have one year to exercise such options.

vii) The number of common shares: (1) reserved for issuance to insiders of the Company may not exceed 20% of the issued and outstanding common shares; and (2) which may be issued to insiders within a one year period may not exceed 20% of the issued and outstanding common shares.

viii) the Plan provides that options granted under the plan shall vest in the optionee, and may be exercisable by the optionee as follows: (1) 25% on the date of granting; (2) 25% six months from the date of granting; (3) 25% twelve months from the date of granting; and (4) 25% eighteen months from the date of granting.

(d) Shareholder Rights Plan

The Company has adopted a shareholder rights plan (the "Rights Plan") to ensure the fair treatment of all Company shareholders in connection with any take-over bid for the outstanding common shares of the Company. The Rights Plan will provide the Company's shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan also provides the board of directors of the Company with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value.

Pursuant to the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be "Permitted Bids". A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of the Company at a significant discount to the market price of the common shares at that time.

9. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the year ended June 30, 2016 and 2015:

Payee	Description of Relationship	Nature of Transaction	2016 Amount ($)	2015 Amount ($)
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Officer and former Director	Legal fees and disbursements charged/accrued during the year	39,041	43,429
Benton Resources Inc.	Company related by common directorships	Reimbursement of general and administrative expenses and management fees related to personnel support	89,729	36,324
Michael Stares	Director	Consulting fees paid for project/royalty generative activities and expense reimbursements	45,200	20,401

The purchases from and fees charged by the related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities as at June 30, 2016 is nil (June 30 2015 - $7,362) to Gordon J. Fretwell Law Corporation, $87,228 to Benton Resources Inc. (June 30, 2015 - $39,550) and nil (June 30, 2015 - $9,040) to Michael Stares. The repayment terms are similar to the repayment terms of non-related party trade payables.

Key management personnel remuneration during the current year included $nil (June 30, 2015 - $nil) in salaries and benefits and $53,877 (June 30, 2015 - $56,452) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the current year.

10. INCOME TAXES:

(a) Provision for Current Income Taxes

The provision for (recovery of) income taxes differs from the amount that would have resulted by applying Canadian federal and provincial statutory tax rates of 26.5% (June 30, 2015 – 26.5%).

	June 30, 2016 $	June 30, 2015 $
Net income (loss) before taxes	(414,429)	(978,067)
Income tax expense reconciliation		
Expected income tax expense (recovery) calculated using statutory rates	(109,824)	(259,188)
Tax effect of the following items:		
Non-deductible share-based payments	29,053	17,730
Non-deductible expenses and other items	7,317	179,956
Expected income tax expense (recovery) calculated for tax purposes	(73,454)	(61,502)
Valuation allowance	73,454	61,502
Income tax expense (recovery)	-	-
Income tax expense (recovery) consists of:		
Current income taxes	-	-
Deferred income taxes	-	-
	-	-

(b) Deferred Tax Balances

The tax effect of temporary differences that give rise to deferred income tax assets and deferred income tax liabilities at the combined Canadian federal and provincial statutory tax rates are as follows:

	June 30, 2016 $	June 30, 2015 $
Deferred tax assets (liabilities) – long term		
Non-capital losses	158,860	100,940
Capital losses	43,172	-
Deferred development expenditures	579,018	579,018
Valuation allowance	(781,050)	(679,958)
Net deferred income tax liability	-	-

(c) Additional Income Tax Information

The Company has non-capital losses of $635,439 available to reduce taxable income in future years as well as $172,689 in net capital losses to offset taxable capital gains in future years should they arise.
The benefit of these losses has not been recognized in these financial statements. The net capital losses can be carried forward without expiry. The non-capital loss will expire, if unused, as follows:

2034	$124,000
2035	235,000
2036	276,439
	$635,439

In addition, the Company has available approximately $1,817,000 in Cumulative Canadian exploration expenses, $ 234,100, In Cumulative Canadian Development expenditures and $423,200 in Foreign exploration and development expenses available for deduction against taxable income in future periods without expiry.

11. SHARE-BASED PAYMENTS:

The Company applies the fair value method of accounting for share-based payments to directors, officers, employees and consultants and accordingly $109,635 is recorded as share-based payments in profit and loss and under reserves in shareholders' equity as equity settled benefits for the 1,227,437 options (post-share consolidation) that vested during the current year. The fair value of the options vesting below during year ended June 30, 2016 was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Grant Date	# of Options Vested	Exercise Price	Expiry Date	Fair Value of Option	Dividend Yield	Volatility	Risk-free Interest Rate	Expected Life
February 3, 2014	24,909	$0.20	Feb 3, 2019	$0.115	0%	126%	1.91%	5 yrs
April 21, 2016	1,024,637	$0.07	April 21, 2021	$0.053	0%	146%	0.69%	5 yrs
May 26, 2016	152,984	$0.35	May 26, 2021	$0.339	0%	154%	0.65%	5 yrs
	1,202,530							

12. SUPPLEMENTAL CASH FLOW INFORMATION:

Net change in non-cash working capital balances related to operating activities consists of:

	June 30, 2016 $	June 30, 2015 $
Accounts and other receivables	(12,262)	12,414
Loan receivable	35,000	(35,000)
Income taxes receivable	-	67,557
Prepaid expenses	2,175	(3,038)
Accounts payable and accrued liabilities	81,254	(222,193)
Total	106,167	(180,260)

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	June 30, 2016 $	June 30, 2015 $
Non-cash financing activities		
Distribution of Coro Mining Corp. shares pursuant to Plan of Arrangement	-	4,270,000
Common shares issued pursuant to property acquisitions	130,000	-
Non-cash investing activities		
Investment in Coro Mining Corp.	-	(4,270,000)
Mineral property acquisitions financed through common share issuance	(130,000)	-

13. CAPITAL DISCLOSURES:

The Company's objectives when managing capital are as follows:

- To safeguard the Company's ability to continue as a going concern;
- To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.
The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the year.

In order to maintain or adjust the capital structure, the Company considers the following;
i) incremental investment and acquisition opportunities;
ii) equity and debt capital available from capital markets;
iii) equity and debt credit that may be obtainable from the marketplace as a result of growth in mineral reserves;
iv) availability of other sources of debt with different characteristics than the existing bank debt;
v) the sale of assets;
vi) limiting the size of the investment program; and
vii) new share issuances if available on favorable terms.

Except as otherwise disclosed, the Company is not subject to any external financial covenants at June 30, 2016.

14. FINANCIAL RISK MANAGEMENT:

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk, currency risk and market risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, temporary investments, accounts and other receivables and refundable security deposits. The Company's cash is held through a large Canadian Financial Institution. The temporary investments are held through major Canadian Financial Institutions with only the highest credit quality as determined by rating agencies. The temporary investments are available for cash requirement purposes at the request of the Company. Refundable security deposits are held by the Government of Newfoundland. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. While management feels the risk of capital loss on its temporary investments is remote given its investment in only highly rated, investment grade fixed income securities with reputable Canadian financial institutions, the income derived from these securities can fluctuate as a result of changes in interest rates upon reinvestment of matured funds. The Company's temporary investments are purchased at fixed interest rates and are either fully liquid or bear short staggered maturity dates to mitigate the risk of fluctuating interest rates. At June 30, 2016, a 1% change in yields on the Company's short term investments would result in an approximate $7,000 (June 30, 2015 - $11,000) change in interest income per annum.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash and temporary investments are always available to settle financial liabilities. At June 30, 2016, the Company had cash on hand of $205,717(June 30, 2015 - $30,492) and temporary investments available to the Company of $692,417 (June 30, 2015 – $1,094,552) to settle current liabilities of $152,634 (June 30, 2015 - $71,380). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The majority of the Company's operations are in Canada; therefore, management believes the foreign exchange risk derived from any currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and equity price risk. The fair value of the Company's long term investments are impacted by changes in the quoted market price of the underlying issuer's securities with the resulting change impacting net income.

15. LOSS PER SHARE:

Basic loss per common share has been calculated using the weighted average number of common shares outstanding in each respective period. As the issue of shares upon the exercise of stock options would be anti-dilutive, diluted loss per common share is equivalent to basic loss per common share.

16. ACQUISITION COSTS ON ABANDONED TRANSACTION:

During fiscal 2015, the Company had executed a letter of intent ("LOI") to acquire 100% of Island Harvest Inc. ("Island Harvest"), a private company incorporated in British Columbia carrying on business as a medical marijuana applicant under Health Canada's MMPR program. The transaction was structured to be contingent upon first closing the Folium acquisition. Pursuant to the letter of intent, the Company paid a First Deposit to Island Harvest in the amount of $80,000 and commenced the due diligence period as provided for in the LOI. After conducting due diligence, Alset elected not to continue with the transaction. As a result, Alset and Folium abandoned the LOI and $80,000 was written off during the previous year's comparative period.

17. SUBSEQUENT EVENTS:

The following occurred subsequent to June 30, 2016:

(i) The Company signed the final agreement to acquire the right to earn a 100% interest in Mexican lithium, potassium and boron brine salar assets located in Zacatecas and San Luis Potosi, Mexico that was under due diligence review during the 2016 fiscal year.

(ii) The Company granted 300,000 stock options to consultants of the Company at a price of $0.39 for a period of five years from the date of grant and subject to the vesting provisions of the Company's stock option plan.

(iii) The Company initiated a non-brokered private placement to raise gross proceeds of up to $1 million of which up to $300,000 will be offered as flow-through units. Each flow through unit will be issued at $0.12 and will consist of one (1) flow through common share and one-half of one common share purchase warrant, each full common share purchase warrant being exercisable at $0.20 cents for 24 months. Each non flow-through unit ("NFT") will be issued at $0.10 and will consist of one (1) common share and one (1) common share purchase warrant, each exercisable at $0.20 cents for 24 months. All shares issued in the private placement will be subject to a four month hold period commencing on the date of issuance. The Company will pay reasonable

expenses and fees incurred in connection with the private placement and agents or finders may, in accordance with TSX Venture Exchange policy, be paid a negotiated cash fee as a percentage of the gross proceeds raised in the private placement. The Company subsequently closed the first tranche of this financing for gross proceeds totaling $207,940 consisting of 256,667 flow-through units (“Flow-Through Units”) for $30,800 and 1,771,400 non flow-through units (“Non Flow-Through Units”) for $177,140.

(iv) The Company retained Daniel Boase to act as a consultant in providing investor relations services to the company. The services will include initiating and maintaining contact with the financial community and the company's shareholders, investors and other stakeholders for the purpose of increasing awareness of the company and its activities. Mr. Boase has been providing investor relations and consulting services to Canadian public companies for 18 years. The consulting agreement is for a term of one year at a monthly fee of $6,000 plus applicable taxes. Alset has also granted 400,000 stock options to the consultant with an exercise price of 35 cents per common share. The options vest according to the company's stock option plan and have a term of five years from the date of grant.