



NRG Announces Maiden Measured and Indicated Resource of 571,000 Tonnes LCE at the Hombre Muerto North Lithium Project, Argentina

October 2, 2018 / Vancouver, BC / NRG Metals Inc. (“NRG” or the “Company”) (TSX-V: NGZ) (OTCQB: NRGMF) (Frankfurt: OGPB) is pleased to report a maiden lithium (Li) and potassium (K) resource statement for its Hombre Muerto North lithium brine project in the Salta province of Argentina. The NI 43-101 resource statement, detailed in Table 1 below, includes 509,000 tonnes (metric tons) of lithium carbonate (Li_2CO_3) equivalent (LCE) and 1,609,000 tonnes of potash (KCl) equivalent in the Measured and Indicated Resource categories, with an additional 62,000 tonnes of LCE and 231,000 tonnes KCl in the Indicated Resource category.

Adrian Hobkirk, President and CEO of NRG, commented, “we are very excited to see a robust and high-grade 43-101 resource estimate from our hydrogeological consultants. The Company now has a high-quality defined resource estimate with positive chemical characteristics that will hopefully allow us to advance the project through feasibility studies to production should the economic viability and technical feasibility of the project be established.”

Table 1. Hombre Muerto North Lithium Brine Resource Statement

Resource Category	In situ Li (tonnes)	Li_2CO_3 Equivalent (tonnes)	In situ K (tonnes)	KCl Equivalent (tonnes)
Measured	96,000	509,000	844,000	1,609,000
Indicated	12,000	62,000	121,000	231,000
M+I	108,000	571,000	965,000	1,840,000

Tonnages are rounded off to the nearest 1,000. Cutoff grade: 500 mg/L lithium, but no laboratory results were less than the cutoff grade.

The conversion used to calculate the equivalents from their metal ions is based on the molar weight for the elements added to generate the equivalent. The equations are $\text{Li} \times 5.3228 = \text{lithium carbonate equivalent}$ and $\text{K} \times 1.907 = \text{potassium chloride equivalent}$.

The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

The resource estimate was prepared in accordance with the requirements of National Instrument 43-101 and uses best practice methods specific to brine resources, including a reliance on core drilling and sampling methods that yield depth-specific chemistry and effective (drainable) porosity measurements. The resource estimation was completed by independent qualified person Mr. Michael Rosko, M.Sc., C.P.G. of the international hydrogeology firm E.L. Montgomery & Associates (M&A).

The resource is defined over a 3.9 square kilometer footprint using results from core drilling and depth-specific packer sampling. In addition, the brine was also sampled during short-term pumping tests. The new Measured and Indicated Resource was derived from two polygons surrounding core holes drilled to depths of 401 and 281 meters (m). Large-diameter rotary holes were drilled to adjacent to both core holes, each to a depth of about 400 m. The spacing between the two pairs of core/rotary holes is approximately 2.1 kilometers.

The chemistry of the Hombre Muerto North brine is judged to be very favorable. Brine density and the ratios of magnesium and sulfate to lithium for the combined measured and indicated resource are given below:

- Density of the brine from depth-specific samples at the core holes ranged from 1.19 to 1.23 grams per cubic centimeter (g/cm^3)
- Average Magnesium/Lithium ratio is 2.6 to 1
- Average Sulfate/Lithium ratio is 11.7 to 1

Based on the geologic model, approximately 33% of the resource is hosted by sand and silty sand units, 28% by interbedded halite, sand and silty sand, and 39% sandy conglomerate.

The total contained lithium and potassium values are based on measurements of effective (drainable) porosity distributed throughout the aquifer volume that defines this resource. This method of porosity determination is designed to estimate the portion of the total porosity that can theoretically be drained by pumping; however, these estimates may differ from total extractable quantities. The drainable porosity is different for each hydrogeologic unit, but the average ranges from about 8 to 11% based on laboratory results.

Resource Estimation Methodology

A total of 627.5 m of drilling from two holes were evaluated for this resource estimate calculation. A total 20 drainable porosity results and 35 depth-specific brine sample analyses were used in the computations, not including QA/QC samples or composite samples

obtained during pumping tests. The average spacing of vertical samples for both drainable porosity and chemistry was variable with an average of approximately 31 m for drainable porosity samples and 18 m for depth-specific brine samples. The first core hole was terminated at a depth of 401 m due to drill limitations and the second hole was terminated at a depth of 281 m due to difficult drilling conditions; the hydrogeologic basement was not encountered. The total thickness of the basin, and the total thickness of saturated sediments, is unknown. Based on well drilling and geophysical measurements, additional brine-bearing aquifer material is believed to exist below 400 m in most of the concession area.

The consultants chose to estimate the resource using a drill-hole centered polygonal technique. Hydro-stratigraphic units have variable thickness and were determined by the consultants based on observed lithology and anticipated similar hydraulic properties. The values for drainable porosity and grade (lithium and potassium values) for each hydro-stratigraphic unit were derived from direct measured values from the well. The unit thicknesses combined with the areas yield a volume of total saturated aquifer. The saturated volume combined with the drainable porosity values, represent the amount of fluid theoretically available from the formation, and subsequently yield the drainable volume of brine. Applying the average lithium and potassium grades for each unit provides the estimated resource for each block, which are then summed for each hydro-stratigraphic polygon unit. Total lithium and potassium volumes are then represented as lithium carbonate and potassium chloride equivalents.

The primary analytical laboratories for the data used in this resource are Alex Stewart (NORLAB) in Jujuy, Argentina. The laboratory is accredited to ISO 9001:2008 and ISO14001:2004 for their geochemical and environmental labs for the preparation and analysis of numerous sample types, including brines.

The porosity determinations were made by Geosystems Analysis (GSA) of Tucson, Arizona. GSA has abundant experience since 1994 in reservoir description, production enhancement and reservoir management services and has provided services to various other lithium projects located in Argentina and globally.

Qualified Person

The resource evaluation work was completed by Mr. Michael Rosko, M.Sc., C.P.G. of E. L. Montgomery and Associates of Santiago, Chile ("M&A"). Mr. Rosko is a Registered Geologist (C.P.G.) in Arizona, California, and Texas, a Registered Member of the Society for Mining, Metallurgy and Exploration, and is a qualified person (QP) as defined by NI 43-101. Mr.

Rosko and hydrogeologists from M&A have been on site multiple times during the various phases of drilling and sampling operations; Mr. Rosko has extensive experience in salar environments and has been a QP on many lithium brine projects. Mr. Rosko and M&A are completely independent of NRG. Mr. Rosko has reviewed and approved the content of this news release.

A Technical Report prepared under the guidelines of NI 43-101 standards describing the resource estimation will be filed on SEDAR within 45 days of this release.

On behalf of the board of directors of NRG Metals Inc.:

Adrian F.C Hobkirk
President and C.E.O.

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