LITHIUM X ENERGY CORP.

REVISED ANNUAL INFORMATION FORM

For the Year Ended June 30, 2017

October 19, 2017

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GLOSSARY OF GENERAL TERMS

In this Annual Information Form, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms have the following meanings:

Affiliate — A company is an "Affiliate" of another company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person;

Associate — means, when used to indicate a relationship with a Person,

(a) a partner, other than a limited partner, of that Person;

(b) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity;

(c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or

(d) a relative, including the spouse, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;

Clayton Valley Property — Means the properties consisting of Clayton Valley North ("**CVN**") and Clayton Valley South ("**CVS**"). CVN consists of approximately 5,480 acres located in Esmeralda County, Nevada. CVS consists of approximately 9,540 acres located approximately 30 miles southwest of Tonopah, Nevada, within the Clayton Valley;

Common Shares: — means the common shares of the Corporation;

company: — unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

Control Person: — means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

Corporation: — means Lithium X Energy Corp., a company incorporated under the laws of British Columbia;

Exchange: means TSX Venture Exchange Inc.;

Insider: if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of another issuer that is an insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or

(d) the issuer itself if it holds any of its own securities;

NI 43-101 or National Instrument 43-101: means National Instrument 43-101 "Standards of Disclosure for Mineral Projects" adopted by the Canadian Securities Administrators;

Non-Arm's Length Party: means (a): in relation to a company: (i) a promoter, officer, director, other Insider or Control Person of that company and any Associates or Affiliates of any of such Persons; (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same promoter, officer, director, Insider or Control Person; and (b) in relation to an individual, any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person;

Person: means a company or individual;

Sal de los Angeles Project: means the Sal de los Angeles lithium brine project comprised of a group of mining concessions located in the province of Salta, Argentina;

Shareholder: means a holder of Common Shares;

PRELIMINARY NOTES

Financial Statements and MD&A

The Corporation's audited financial statements and management's discussion and analysis ("**MD&A**") have been filed with Canadian securities regulatory authorities and are available electronically under the Corporation's profile at www.sedar.com. The Corporation's financial statements are prepared in accordance with and all financial information in this Annual Information Form is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Corporation's fiscal year end is June 30.

Effective Date of Information

All information in this Annual Information Form is as of June 30, 2017 unless otherwise indicated.

Forward-Looking Statements

This Annual Information Form contains or incorporates by reference "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Corporation's operating environment. All statements, other than statements of historical fact, are forward-looking statements. In this AIF, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Corporation's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: regulatory and permitting considerations, financing of the Corporation's acquisitions and other activities, exploration, development and operation of mining properties and the overall impact of misjudgments made in good faith in the course of preparing forward-looking information. Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out below, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Corporation's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Corporation's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Corporation's website. All subsequent written and oral forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by this notice. The Corporation disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Corporation's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the

Corporation's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedar.com.

Currency

All dollar amounts in this Annual Information Form are expressed in Canadian dollars, unless otherwise indicated.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

Unless otherwise indicated, all resource and reserve estimates included in this AIF have been prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM standards. These definitions differ from the definitions in applicable US laws. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101 and the CIM standards; however, these terms are not defined terms under applicable US laws. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre–feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, this definition differs from the definition in applicable US laws.

CORPORATE STRUCTURE

NAME, ADDRESSES AND INCORPORATION

The full corporate name of the Corporation is "Lithium X Energy Corp.". The head office of the Corporation is located at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1. The Corporation is a reporting issuer in British Columbia, Alberta and Ontario.

The Corporation was incorporated as Vehicle Recycling Technologies Inc. under the *Business Corporations Act* (Alberta) on August 28, 1997. On July 23, 1999, Vehicle Recycling Technologies Inc. changed its name to AADCO industries.com Inc. On January 15, 2002, AADCO industries.com Inc. changed its name to AADCO Automotive Inc. Effective January 9, 2008, as a result of the sale of the automotive recycling business, the Corporation changed its name to Royce Resources Corp. and consolidated its outstanding shares on a five old for one new share basis. The Corporation continued under the *British Columbia Business Corporations Act* effective May 11, 2011. Effective November 5, 2013, the Corporation consolidated its outstanding shares on a ten old for one new share basis. Effective November 25, 2015, Royce Resources Corp. changed its name to "Lithium X Energy Corp."

All Shares, Options, and per Share amounts in this AIF have been retrospectively restated to present post-consolidation amounts.

INTERCORPORATE RELATIONSHIPS

The Corporation has two wholly-owned subsidiaries, Potasio Y Litio de Argentina SA. ("**PLASA**"), which holds the Company's Sal de los Angeles Project and Tortuga de Oro S.A ("**TOSA**"), which holds the Company's Arizaro project. Both of these subsidiaries are Argentine companies. See "General Development of the Business of the Corporation – Three Year History and Significant Acquisitions".

GENERAL DEVELOPMENT OF THE BUSINESS OF THE CORPORATION

THREE YEAR HISTORY AND SIGNIFICANT ACQUISITIONS

The Corporation is a growth-oriented, Canadian-based lithium exploration and development company currently focused on the exploration and development of the Sal de los Angeles Project in Argentina. The Common Shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "LIX". The Corporation was inactive during the 2015 financial year. During its 2016 and 2017 financial years, the Corporation completed several significant acquisitions and various financings, as described below.

Nevada Assets

The Corporation, through wholly-owned subsidiaries (1056625 B.C. Ltd., and 1061582 B.C. Ltd., both of which are British Columbia companies, and LT Capital Holdings LLC, a Nevada company, which is a wholly-owned subsidiary of 1061582 B.C. Ltd.) acquired interests in the Clayton Valley Property through a series of transactions in the Corporation's 2016 fiscal year. In the Corporation's 2017 fiscal year, it disposed of its indirect interest in the Clayton Valley Property through a sale of the shares of 1056625 B.C. Ltd. and 1061582 B.C. Ltd. to Pure Energy Minerals Limited ("**Pure Energy**"). These transactions are described below.

Acquisition of Option over Clayton Valley North

Effective November 26, 2015, the Corporation acquired an option (the "**Option**") from Clayton Valley Lithium Inc. ("**Clayton Valley**") to acquire a 100% interest in the CVN property. The Corporation acquired the Option, through 1056625 B.C. Ltd., by issuing 6,400,000 Common Shares and paying US$140,000. To exercise the Option and earn a 100% interest in the CVN property, the Corporation was required to make a variety of cash payments, issue additional Common Shares and incur specified expenditures on the CVN property, all culminating in the preparation and delivery of a pre-feasibility study on the CVN property by no later than November 26, 2019. Clayton Valley retained a gross value returns royalty equal to 2.5% of the gross value of minerals produced and sold from the CVN property (the "**Royalty**"). The Corporation had a right to purchase 1.5% of the Royalty at any time for US$3,000,000 and was required to make certain advance payments against the Royalty.

The Corporation further acquired specified additional claims in consideration for payment to Clayton Valley of $124,233 (US$91,000). The Corporation also agreed to make minimum exploration expenditures of US$250,000 within two years of acquisition on certain of these claims.

The Corporation had paid $778,676 in cash payments, incurred $663,501 in expenditures and issued 6,846,112 shares, all prior to the sale to Pure Energy.

Clayton Valley South Acquisition

On February 25, 2016 the Corporation, through 1061582 B.C. Ltd., completed the acquisition of a 100% interest in the CVS property. The CVS property consists of 477 federal placer mining claims, totaling approximately 9,540 acres (3,861 hectares) and is located approximately 30 miles southwest of Tonopah, Nevada, within the Clayton Valley. Consideration for the acquisition consisted of a cash payment of US$350,000 and the issuance of 4,000,000 Common Shares, as well as a finder's fee of 295,000 Common Shares.

Pure Energy Disposition

On May 30, 2017 the Corporation disposed of all of its interests in the Clayton Valley Property to Pure Energy. The transaction was completed by the Corporation selling all of its shares in the capital of 1056625 B.C. Ltd. and 1061582 B.C. Ltd. to Pure Energy in exchange for 20,038,182 common shares of Pure Energy and warrants to acquire a further 2,022,290 common shares of Pure Energy for a period of three years at a price of $0.75 per Pure Energy common share. In conjunction with this disposition, the Corporation subscribed for 3,571,428 units of Pure Energy at an aggregate subscription price of $2 million. Each unit consists of one common share of Pure Energy and one-half of a warrant to acquire a common share of Pure Energy, exercisable for a period of three years at a price of $0.75 per Pure Energy common share. As a result of these transactions, the Corporation held an aggregate of 23,609,610 common shares of Pure Energy, representing 19.99% of the number of common shares of Pure Energy then outstanding, and 3,808,004 warrants which, if exercised on their issuance, would have resulted in the Corporation holding 22.5% of the number of common shares of Pure Energy then outstanding.

Pursuant to the share purchase agreement and an investor rights agreement with Pure Energy under which:

- the Corporation has agreed not to, directly or indirectly, sell or transfer: (i) any of the 2,022,290 warrants acquired in connection with the disposition for a period of 12 months (restriction expires May 2018); and (ii) any of the 20,038,182 common shares of Pure Energy acquired in connection with the disposition (the "**Consideration Shares**"), except in accordance with a release schedule whereby 50% of the Consideration Shares are released after 12 months, and a further 12.5% are released at the end of each 3 month period thereafter. This release schedule is accelerated if the closing price of the Consideration

Shares on the TSX-V is equal to or greater than $1.12 for a period of 20 consecutive trading days;

- the Corporation's disposition of any of its common shares of Pure Energy are subject to certain restrictions to facilitate their orderly sale;
- the Corporation has agreed not to exercise any Warrants if, upon exercise, the Corporation would become a 'Control Person' (as such term is defined in the policies of the TSX-V) unless Pure Energy has obtained the prior approval of its shareholders and of the TSX-V, as applicable;
- for so long as the Corporation maintains a 5% partially-diluted interest in Pure Energy, it is entitled: (i) to pre-emptive rights entitling it to maintain its pro rata ownership interest in Pure Energy; and (ii) to nominate one director to Pure Energy's board; and
- for a period of 24 months the Corporation is required to vote at shareholder meetings in favour of all matters proposed by management of Pure Energy.

The net financial gain recorded by the Corporation from the disposition of the Clayton Valley Property is $4,674,604.

Acquisition of Arizaro Project

In January 2017, the Corporation entered into a binding purchase and sale agreement to acquire 100% of the Arizaro Project in Argentina's Salta Province. The consideration payable for the Arizaro Project consisted of US$250,000 and 3,500,000 Common Shares with a value of $7,350,000. In connection with the purchase a finder's fee of 5% of the total acquisition price (US$12,500 and 175,000 common shares with a value of $367,500) was also paid.

The Arizaro Project consists of 33,846 hectares in 11 mining claims covering parts of the western and eastern portions of the Salar de Arizaro, one of the district's largest and least explored salars thought to contain elevated lithium brine values. The entire salar is staked with other current landholders in Arizaro including Eramet, Sentient and REMSA (Salta Government).

The Arizaro Project benefits from good infrastructure in the Puna region, and is set to benefit from further development of adjacent large-scale mining projects, including First Quantum's Taca-Taca copper project and Fortuna Silver's Lindero gold project. Salar de Arizaro is traversed by a highway and railroad that connect the Arizaro Project to Chile and Pocitos, where natural gas and an industrial park are found. Historical sampling on the western margins of the Salar de Arizaro show elevated lithium values near surface contained within a classic halite dominant salar, much like nearby Rincon, Salar del Hombre Muerto and Atacama projects, all of which host advanced or producing lithium brine operations. The Company is currently planning an initial exploration program and has obtained the required exploration permits. However, the Corporation has not initiated exploration of the Arizaro project.

Sal de los Angeles Project

Acquisition of PLASA

PLASA owns 100% of the Sal de los Angeles Project, which was previously known as the Diablillos Project, in Argentina.

On April 20, 2016 the Corporation completed the acquisition of a 50% interest in PLASA from Aberdeen International Inc. ("**Aberdeen**"). The Corporation issued 8,000,000 Common Shares to Aberdeen for the 50% interest in PLASA. The Corporation also had an option (only exercisable after satisfying certain conditions including project expenditures of at least $3,000,000 and completion of a feasibility study) to acquire an additional 30% interest in PLASA by issuing additional common shares to Aberdeen have a value of $5,000,000 (based on a 10% discount to the 20-day volume-weighted average price of the common shares at the date of exercise of the option). Aberdeen also received certain rights to representation on the Corporation's board.

On July 11, 2017, the Corporation acquired the remaining 50% interest in PLASA from Aberdeen for a cash payment of $5,000,000 and the issuance to Aberdeen of 6,000,000 Common Shares pursuant to the terms of a share purchase agreement dated June 28, 2017 between the Corporation and Aberdeen. All of these Common Shares are subject to a 4 month hold period under applicable securities laws, with 3,000,000 of the Common Shares subject to a further 6 month contractual hold period (for a total hold period of 10 months). In addition, the Corporation is required to issue an additional 3,000,000 Common Shares to Aberdeen if, within three years following completion of the acquisition, the Common Shares have a volume weighted average trading price of $3.00 or more during a period of 20 consecutive trading days.

The unanimous shareholders agreement, right of first refusal agreement and pooling agreement between the Corporation and Aberdeen with respect to PLASA, all dated April 15, 2016, and certain rights under the share purchase agreement between the Corporation and Aberdeen dated April 15, 2016 (the "**2016 SPA**"), including Aberdeen's rights to representation on the Corporation's board of directors, were terminated. Patrick Gleeson and Joseph Carrabba, Aberdeen's nominees to the board of directors of the Corporation, resigned as directors of the Corporation effective as of July 10, 2017.

As a result of these acquisitions from Aberdeen, PLASA became a wholly-owned subsidiary of the Corporation.

Orocobre Transactions

PLASA's Sal de los Angeles Project covered approximately 95% of the Diablillos basin, consisting of: approximately 5,347.5 hectares over which PLASA held mining claims and approximately 2,700 hectares over which PLASA had a right to the lithium contained within mining claims held by Borax Argentina S.A. . ("**Borax**"). The remaining 5% of the of Diablillos basin, or approximately 700 hectares, was subject to mining claims held by South American Salars S.A. ("**SAS**"). Both Borax and SAS are subsidiaries of Orocobre Limited (TSX: ORL).

The Corporation announced on October 4, 2017 that it had entered into agreements under which it would acquire the mining claims held by Borax (but grant Borax a usufruct right over these claims in relation to the surface ulexite mineralization) and would acquire the mining claims held by SAS. Completion of these transaction will result in PLASA owning 100% of the mineral titles contained within the brine bearing regions of the Diablillos basin, covering approximately 8,747.50 hectares.

Under these agreements:

- the Corporation is to pay Borax US$250,000 and issue 650,000 Common Shares to Borax's nominee and PLASA is to grant Borax's nominee a 1% net revenue royalty over the entire Sal de los Angeles Project (replacing the 1.5% royalty previously held by Borax over PLASA's usufruct rights);

- the Corporation is to pay SAS US$750,000;
- each of Orocobre and PLASA are to release any existing or potential claims they may have had against the other in relation to all past activities in the Diablillos basin.

These agreements also include other provisions related to artesian brine management, which is the source of brine for the initial ponding facility described below. The artesian brine will be captured, pumped and piped to the initial ponding facility's evaporation ponds, where the brine will undergo evaporation-based metallurgical processing.

Initial Ponding Facility

PLASA entered into a definitive Union Transitoria agreement (the "**JV Agreement**") with Salta Exploraciones SA ("**SESA**") on May 6, 2016 for the development of a test ponding facility (the "**Initial Ponding Facility**") at the Sal de los Angeles Project.

The JV Agreement sets out the terms of a joint venture (the "**SESA JV**") for the construction, operation, production and sales from, the Initial Ponding Facility, designed to produce up to 5,000 tonnes per annum ("**tpa**") of lithium carbonate equivalent ("**LCE**").

Under the terms of the JV Agreement, in order to earn a 50% stake in the SESA JV, SESA must contribute an estimated US$6 million, being the estimated cost for the construction and operation of the Initial Ponding Facility having a 2,500 tpa LCE capacity by incurring all construction costs, including one full year of post-construction operation. PLASA shall contribute US$3.3 million for a 30% contributing participation in the JV Company and the right to commercialize the lithium products. In addition, PLASA is fully carried for the remaining 20% for contributing brine from existing wells on the Sal de los Angeles Project, including a free-flowing artesian well that is anticipated to supply the operation during the initial years.

The SESA JV has the option to increase its operating facilities to 5,000 tpa LCE upon completing a full 12-month period of cash flow positive operations on an after-tax basis. SESA is the operator of the SESA JV under the direction of an evenly balanced operating committee.

On July 14, 2016 PLASA submitted an Environmental Impact Assessment (Investigacion de Impacto Ambiental) to the Salta authorities for the construction of the Initial Ponding Facility, including brine capture, transport and ponding facilities. On February 21, 2017 the Company announced that it has received permits for the construction of the Initial Ponding Facility. Final engineering design and drawings have been completed for the Facility, camp expansion completed and SESA has initiated construction. To date approximately 20% of the ponding area has been constructed. The Company is reviewing options to accelerate the construction of the Facility. The SESA JV ponding facility is currently permitted for 62.5 hectares of evaporation ponds plus ancillary ground of approximately 100 hectares total (approximately 1%) of the 8,047.5 hectares that comprise the Sal de los Angeles Project.

The Company cautions that the Project has not been the subject of a feasibility study and there is no guarantee the initial ponding facility will successfully produce a commercial product on a profitable basis or at all. There is a significant risk that production from the initial ponding facility will not be profitable, and the risks are even greater given that no feasibility study has been prepared. The Company has not established the economic viability of the proposed operation or any mineral reserves that would support the same. It also does not disclose the higher risk of failure of this production decision in the circumstances. The purpose of the pilot program is not to commence commercial production but to utilize the construction expertise and experience of SESA using brine from an existing free flowing artesian well which will

contribute initial brine to the initial ponding facility. The design, construction and operation of the Initial Ponding Facility will provide data for a Feasibility Study on the Project and serve as a proof of concept for the Company, while utilizing a majority of third party capital.

Financings

Concurrent with the completion of the acquisition of the CVN property in November 2015, the Corporation completed a private placement of 11,696,669 Common Shares at $0.15 per share for gross proceeds of $1,754,500.

On December 24, 2015 the Corporation completed a further private placement of 10,825,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $3,247,500.

On March 18, 2016 the Corporation completed a private placement of 8,332,470 shares at a price of $1.02 per share for gross proceeds of $8,499,119.

On July 13, 2016 the Corporation completed a private placement of 6,060,603 shares at a price of $1.65 per share for gross proceeds of $10,000,000.

On March 14, 2017 the Corporation completed a bought deal offering of 7,900,000 Common Shares at a price of $1.90 per share for gross proceeds of $15,010,000.

On October 11, 2017 the Corporation announced a bought deal offering of 6,850,000 units shares at a price of $1.90 per unit for gross proceeds of $13,015,000. Each unit consists of one Common Share and one-half of one common share purchase warrant entitling the holder to acquire one Common Share at a price of $2.75 for a period of 36 months. In addition, the Corporation granted the underwriters an over-allotment option to acquire an additional 1,027,500 units.

BUSINESS OF THE CORPORATION

The Corporation is in the business of the acquisition, exploration and development of properties in the lithium industry. The Corporation currently has interests in those mineral properties referred to in "General Development of the Business of the Corporation – Three Year History and Significant Acquisitions" above and in "Mineral Projects" below. Its current focus is on construction and development of the Sal de los Angeles Project, as more particularly described under "Mineral Projects" below.

Stage of Development

The Corporation is in the exploration and development stage and does not produce, develop or sell any products at this time. The progress on, and results of, work programs on the Corporation's material mineral properties is set out below under the heading "Mineral Projects".

Specialized Skill and Knowledge

All aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs, mining, metallurgy, accounting and law. The Corporation believes that it can locate and retain such employees and consultants necessary to operate its business and achieve its stated corporate objectives. On June 28, 2016 the Corporation appointed Mr. Eduardo Morales as Chief Operating Officer. Mr. Morales is a chemical engineer with 36 years of experience who formerly built and operated one of the world's

largest lithium brine operations. As President of Rockwood Lithium Latin America, he successfully led the development, commissioning and operation of Rockwood's Salar de Atacama project. His tenure with Rockwood Lithium ended with the company's sale to Albemarle Corporation for US$5.2 billion in 2014.

Competitive Conditions

Competition in the mineral exploration industry is intense. The Corporation competes with other mining companies, many of which have greater financial resources and technical facilities for the acquisition and development of, and production from, mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants.

Components

All of the raw materials the Corporation requires to carry on its business are readily available through normal supply or business contracting channels in Argentina.

Cycles

The mining business is subject to significant volatility, including cyclicality, in commodity prices and in the supply and cost of labor, equipment, fuel and other resources integral to development and operating of a mining project. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

Economic Dependence

The Corporation's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

It is not expected that the Corporation's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection

The Corporation is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Corporation, nor it is expected that such requirements will have any such impact in future years.

Employees

As at June 30, 2017, the Corporation had two full-time employees and no part-time employees. The Corporation relies upon employees and consultants to carry on its activities. As a June 30, 2017, PLASA had 14 full-time employees. As of June 20, 2017, TOSA has no full time employees or consultants

Foreign Operations

The Corporation conducts its mining operations in Argentina. It has a regional office located in Salta, Argentina.

Social or Environmental Policies

The Corporation has not implemented any social or environmental policies that are fundamental to its operations.

RISK FACTORS

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may exist. The Corporation is in the business of acquiring, exploring and developing lithium properties. It is exposed to a number of risks and uncertainties that are common to other lithium mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks.

Mining Exploration and Development

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Corporation will result in the development of an economically viable mine project. The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Corporation has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Corporation does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Corporation's prospects, and the Corporation's future success is more uncertain than if it had a more proven history. The development of the Sal de los Angeles Project will include the construction and operation of mines, processing plants and related infrastructure. As a result, the Corporation is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Corporation cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Risks Associated with Lithium Markets

Lithium Carbonate is not an exchange traded commodity and is sold directly to end users. The profitability of the Corporation's lithium operations will be dependent upon the market price of lithium. Lithium prices fluctuate widely and are affected by numerous factors beyond the control of the Corporation. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of lithium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Corporation's business, financial condition and result of operations. Depending on the market price of lithium, the Corporation may determine that it is not economically feasible to continue some or all of its operations or the development of some or all of its projects, as applicable, which could have an adverse impact on the Corporation's financial performance and results of operations. In such a circumstance, the Corporation may also curtail or suspend some or all of its exploration activities.

Current and future Lithium prices are highly dependent on the adoption of lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Corporation, then the long-term growth of lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Corporation.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Corporation incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in Argentina, or more stringent enforcement thereof, could have a material adverse impact on the Corporation and increase costs, affect the Corporation's ability to expand or transfer existing operations or require the Corporation to abandon or delay the development of new properties. The Corporation may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Corporation, could have a material effect on the Corporation or its financial condition or require the Corporation to compensate persons suffering loss or damage as a result of any such infringement.

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Corporation may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Corporation has obtained, could have a material adverse effect on the Corporation by delaying or preventing or making more expensive exploration, development and/or production.

Environmental Risks and Hazards

The Corporation's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Corporation and may cause material changes or delays in the Corporation's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Corporation to comply fully with all applicable laws and regulations could have significant adverse effects on the Corporation, including the suspension or cessation of operations.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Corporation has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Corporation will not encounter challenges or loss of title to its assets. The Corporation does not carry title insurance. The Corporation is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries. The Corporation cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Corporation will have or acquire valid title to these mining properties. Failure by the Corporation to retain title to properties which comprise its projects could have a material adverse effect on the Corporation and the value of its Common Shares. In particular, the process for establishing and preserving mining title and other mineral rights in Argentina is complex, and may be the subject of dispute with regulators. In addition, the Corporation may be required to obtain certain other property rights to access or use certain of its properties in order to proceed with mining activities.

Dependence on Sal de los Angeles Project

The Corporation's only material mineral property is Sal de los Angeles Project. As a result, unless the Corporation acquires or develops any additional material properties or projects, any adverse developments

affecting this project or the Corporation's rights to develop this property could materially adversely affect the Corporation's business, financial condition and results of operations.

Political Risks Associated with Foreign Operations

The Corporation conducts its exploration, mine development and other mining activities in Argentina which exposes the Corporation to certain jurisdictional risks including high rates of inflation; military repression; social and labour unrest; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Corporation to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction. In particular, Argentina has, from time to time, experienced political and economic instability. PLASA may be materially adversely affected by risks associated with political instability and violence, war and civil disturbance, acts of terrorism, expropriation or nationalization, change in fiscal regimes, fluctuations in currency exchange rates, high rates of inflation, underdeveloped industrial and economic infrastructure, and enforceability of contractual rights. Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces that have passed various laws to curtail or ban mining activities in those provinces. Argentina has had and is currently enduring a period of high inflation that could increase the operating costs. In addition, the Argentinean peso has been subject to large devaluations and revaluations in the past and may be subject to significant fluctuations in the future.

Changes, if any, in mining or investment policies or shifts in political attitudes in Argentina may adversely affect the operations or profitability of the Corporation. Operations may be affected in varying degrees by government regulations including with respect to, but not limited to, restrictions on production, price controls, import or export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of the Corporation.

Further, it is the case that the legal system in Argentina may not be as developed or may be complex and time-consuming, which leads to a higher level of uncertainty in the application and determination of legal issues, potentially resulting in regulatory delays, ill-motivated use of courts or regulatory bodies and inconsistency in interpretation and enforcement of applicable laws. Such risks are part of overall risks of doing business in a foreign jurisdiction and should be taken into account by any potential investor.

Risks Associated with Potential Acquisitions

The Corporation may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Corporation's business and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Corporation. The Corporation may need additional capital to finance any such acquisitions. Debt financing related to acquisition would expose the Corporation to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Corporation contemplates conducting exploration activities. The Corporation may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and

larger technical staffs than the Corporation. Accordingly, there can be no assurance that the Corporation will be able to compete successfully for new mining properties.

Negative Operating Cash Flow

The Corporation is an exploration and development stage company and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Corporation has a history of losses and there can be no assurance that it will ever be profitable. The Corporation expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Corporation's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Corporation will ever generate revenues from operations or that any properties the Corporation may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Corporation's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Corporation's control. The Corporation expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Financing

Additional funding will be required to complete the proposed or future exploration and other programs on the Corporation's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Corporation to reduce or delay its proposed operations. The majority of sources of funds currently available to the Corporation for its acquisition and development projects are in large portion derived from the issuance of equity. While the Corporation has been successful in the past in obtaining equity financing to undertake its currently planned exploration and development programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Corporation.

Joint Venture Risks

The Corporation holds an interest in a joint venture project – the SESA JV. The Corporation's interest in this project is subject to the risks customarily associated with the conduct of joint ventures, including (i) disagreement with joint venture partners on how to develop and operate the facilities efficiently, (ii) inability to exert influence over certain strategic decisions, (iii) inability of joint venture partners to meet their obligations, and (iv) litigation regarding joint venture matters. Each of these risks could have a material adverse impact on the Corporation's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition. In addition, the Corporation is not the operator of this joint venture, hence the success of any operations will be dependent on a third party operator and the Corporation may be unable to have any significant influence on the direction or control of the activities of the operator. The Corporation will be subject to the decisions made by the operator of the joint venture project and will rely on the operator for accurate information about the project.

Personnel; Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Corporation is dependent upon the efforts of the Corporation's management team. The loss of the services of any member of

management could have a material adverse effect on the Corporation. The Corporation's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Corporation will be able to acquire the necessary resources to successfully implement its business plan.

The Corporation is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Corporation's management, the Corporation could be adversely affected. There can be no assurance that the Corporation will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Corporation's business, financial condition or results of operations.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Corporation may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Corporation.

Currency Risk

The Corporation is exposed to currency risk to the extent that monetary assets and liabilities held by the Corporation are not denominated in Canadian dollars. The Corporation has not entered into any foreign currency contracts to mitigate this risk. Certain of the Corporation's cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars including mineral property obligations. Therefore, the US dollar amounts are subject to fluctuation against the Canadian dollar. The Corporation also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the US dollar. The Corporation maintains its accounts in Canadian dollars, while the market for lithium is principally denominated in U.S. dollars. The Corporation's operations in Argentina make it subject to foreign currency fluctuations and such fluctuations may materially affect the Corporation's financial position and results.

Litigation

The Corporation is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Corporation's financial position or results of operations.

Enforcement of Civil Liabilities

Certain of the Corporation's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Corporation are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Corporation and certain of its directors and experts

named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

MINERAL PROJECTS

The information below is based on the technical report titled "Technical Report – Resource Estimate for Lithium's Potassium Sal de los Angeles Project" dated effective August 29, 2016 as amended February 24, 2017 and prepared for the Corporation by Frits Reidel, CPG (the "**Sal de los Angeles Report**"). Reference should be made to the full text of the Sal de los Angeles Report which is available for review on www.sedar.com. The scientific and technical content and interpretations contained in this AIF have been reviewed and approved by VP of Project Development, William Randall, a Qualified Person as defined by NI 43-101.

Project Description, Location and Access

The Sal de los Angeles Project consists of 8,047.5 hectares and is located in the Puna region of northwest Argentina (Figure 4.1 of the Sal de los Angeles Report), approximately 145 km southwest of the city of Salta, a few kilometres north of the border between the Provinces of Salta and Catamarca, Argentina. The property area lies entirely within the Province of Salta. Centroid co-ordinates for the Sal de los Angeles Project are approximately 726,800 E and 7,206,050 N (Universal Transverse Mercator (UTM)system, WGS 84 Zone 19 South)

Table 4.1 of the Sal de los Angeles Report as reproduced below presents a summary of lease agreements and legal status related to the Sal de los Angeles Project. The Sal de los Angeles Project includes 16 mining concessions (minas). In summary, there is no other owner/operator with mining or exploration rights for lithium or potash within the brine resource area.

Table 4.1 of the Sal de los Angeles Report – Description of land titles

Order	File	Name	Type	Area (has)	Owner	Rights	NSR
1	11.691	Grupo Minero	Mining Group		Borax Argentina	PLASA Usufruct	1.5
		Sol Argentino		100			
		Santa Rosa		100			
		Santiago		100			
		San Miguel		100			
		San Marcelo		100			
		San Jose		100			
		San Felipe		100			
		La Pichunga		100			
		La Tosca 1 y 2		100			
		Odin y Thor		100			
		Esperanza		100			
		Consuelo		100			
		Aegyr		100			
		San Pablo		100			
		San Pedro		100			
		San Juan		100			
		Santo Tomás		100			

Order	File	Name	Type	Area (has)	Owner	Rights	NSR
2	12.652	Chinchillas	Mine	200	Borax	PLASA Usufruct	1.5
3	7.021	Coral	Mine	100	Borax	PLASA Usufruct	1.5
4	12.653	La Entrerriana	Mine	200	Borax	PLASA Usufruct	1.5
5	1.178	San Andres	Mine	100	Borax	PLASA Usufruct	1.5
6	1.169	San Jorge	Mine	100	Borax	PLASA Usufruct	1.5
7	1.173	San Martin	Mine	100	Borax	PLASA Usufruct	1.5
8	1.181	Santo Domingo	Mine	100	Borax	PLASA Usufruct	1.5
9	17.920	Angélica	Mine	100	PLASA		
10	1.188	San Atilio	Mine	100	PLASA		
11	1.183	Nuestra	Mine	100	PLASA		
12	17.778	La Petisa	Mine	246.5	PLASA		
13	19.656	Zorro I	Mine	165	PLASA		
14	20.671	Zorro II	Mine	975	PLASA		
15	21.025	Santa Maflo	Mine	1,500	PLASA		
16	19486	Ratonex 2	Mine	2,200	PLASA		
Total Area (Has)				8047.50			

Royalties, Agreements, Encumbrances and Accessibility to the Property

The federal government of Argentina regulates different systems of ownership of mineral resources. In 1993, the federal government established a limit on mining royalties to be paid to the provinces, set at a 3% maximum of the 'pithead value' of the extracted mineral.

Individual Argentinean provinces have promulgated rules that govern the exercise of mineral rights. The province of Salta adopted the 3% maximum of the "pithead value" of the extracted mineral established by the federal government. As of the date of the Sal de los Angeles Report, there is no specific royalty agreement between Salta and the Corporation, i.e., there is no special contract on royalties at the present time.

The province defines the "pithead value" of minerals as the value obtained in the first stage of the commercialization process, less the direct and operative costs necessary for getting the pithead mineral to that stage (Ley 24.196 of Argentine Mining Code).

As per the usufruct agreement between PLASA and Borax Argentina SA incorporated by Public Deed Nr. 9 (of "Usufruct Incorporation on Mining Properties") and registered by the Mining Court of Salta under file Nr. 07 of the Book of Registry of Leases Nr. 4 on February 29th, 2012 there is a registered 1.5% Net Smelter Return in favor of Borax Argentina S.A., with a purchase option to PLASA of US$1,500,000. This Net Smelter Royalty only applies to the claims upon which the usufruct right is registered, as detailed in Table 4.1 of the Sal de los Angeles Report.

On December 29, 2015, Rodinia sold PLASA and the rights to the Salar de Diablillos to Aberdeen International, Inc. (Aberdeen). As part of that transaction, a 2% Net Smelter Royalty was applied in favour of Rodinia on the entire Sal de los Angeles Project. Half of the 2% Net Smelter Royalty can be purchased by Aberdeen for US$2,000,000.

The Project property is accessible from the city of Salta through the town of San Antonio de Los Cobres via National Highway 51, and then through a secondary gravel road (all-weather provincial Route 129) via the town of Santa Rosa de Los Pastos Grandes (Figure 4.1 of the Sal de los Angeles Report). By road the distance from Salta to the property is approximately 320km, which is a driving time of six to seven hours.

An alternate road route exists via the town of Pocitos on Provincial Route 17, which is the main road to Antofagasta, Chile and the primary road access to the Borax Argentina Minas Tincalayu borax mine, located a few kilometres southwest of the Diablillos property on the north-eastern shore of the Salar Hombre Muerto. These secondary roads are regularly maintained, as they are used daily for transportation purposes during mining and processing of borates in the region.

The Salar de Diablillos may be accessed from the north and the south by two local roads veering off the secondary trucking road. The local roads are relatively narrow gravel roads that can be driven with regular two-wheel drive vehicles with high clearance; however, during the rainy periods between January and March, sections of the road are susceptible to flooding or small landslides, and in those months four-wheel drive vehicles are required for access within the property.

The nearest commercial airport to the Salar de Diablillos is located in Salta and is serviced by regular commercial flights from major cities in South America.

Local borate producers have established and regularly make use of trucking routes between Diablillos, Pocitos and San Antonio de los Cobres. Salta is connected to the Chilean seaport of Antofogasta by the narrow-gauge General Belgrano Railway.

History

Pre-Rodinia (prior to 2009)

The early exploration and production history on the Salar de Diablillos, prior to 2009, has been restricted to minor ulexite (NaCaB5(OH)6–5H2O) exploitation by local miners and exploration work by Borax Argentina during the last decade. Records of this work are not available to the author**.**

Early historical information on drilling in the Salar reported by the Servicio Geológico Minero Argentino indicates that a drill hole was completed in the south-eastern margin of the Salar, reaching the metamorphic basement at a depth of 75 vertical metres. The reported stratigraphy consisted of a one metre layer of ulexite followed by 10 cm of caliche and more extensive, but unspecified, clays. Below the clays a sand aquifer was logged to a depth of 30m giving way to a basal conglomerate towards the bottom of the hole (AMEC, 2011).

Prior Ownership and Ownership Changes

In January 2010, Rodinia Lithium Inc ("**Rodinia**"), a company listed on the TSX Venture Exchange with its corporate head office and exploration office located in Toronto, Ontario, acquired the rights to explore and exploit the lithium-rich brines of Borax Argentina S.A., a subsidiary of Rio Tinto Minerals ("**Borax Argentina**"), properties on the Salar de Diablillos. Following this transaction, Rodinia purchased 100% ownership of an additional 2,987 ha of the surrounding salar. Rodinia maintained this holding through Potasio y Litio de Argentina S.A. (PLASA), a wholly-owned subsidiary based in Argentina.

On December 29, 2015, Rodinia sold PLASA and the rights to the Salar de Diablillos to Aberdeen International, Inc. ("**Aberdeen**"). On March 3, 2016, Aberdeen sold the right to earn an 80% interest in the project to the Corporation, who subsequently renamed the project Sal de los Angeles.

As described in a March 3, 2016 press release, the Corporation issued 8,000,000 Common Shares to Aberdeen International for a 50% interest in the Project on closing. The Corporation has the option for a 26 month period (the "**Option**") to acquire an additional 30% interest by issuing Common Shares worth $5,000,000 to Aberdeen and fulfilling several terms, including incurring $3,000,000 in exploration and

development expenditures over a two-year period and completing a feasibility study on the Project. As of the date of the Sal de los Angeles Report, the Corporation has not exercised the Option. As part of the agreement, the Corporation will be considered the initial operator of the project for as long as the Corporation maintains interest greater than or equal to 50% in the Joint Venture.

Exploration and Development Results of Previous Owners

Historic exploration at the Salar de Diablillos has been limited to informal small-scale ulexite mining by local miners, and the exploration of the top 3–5 m of the salar that was conducted by Borax Argentina S.A. Rodinia commenced exploration in 2009 during a due diligence evaluation prior to purchase of the Project. Since then, Rodinia conducted the following exploration programs:

- Surface sampling: Brine samples were collected from 140 shallow auger wells regularly distributed on the surface of the salar at approximately 300 m by 300 m spacing. The results of this surface sampling program were not used in the preparation of this 2016 updated resource estimate to due lack of information on the sampling protocols, analyses and results.

- Gravity survey: Ten lines were surveyed to model basement depth. The details of this survey are further described in Section 9 of the Sal de los Angeles Report.

- Seismic survey: 12 lines of seismic tomography were completed to further help define the geometry of the salar sediments and map the basement contact below the Salar. The details of this survey are further described in Section 9 of the Sal de los Angeles Report.

- Reverse circulation (RC) drilling program: RC drilling was conducted to develop vertical profiles of brine chemistry, carry out airlift testing and to provide geological and hydrogeological data at depth in the salar. The details and the results of the RC drilling are described in Section 10 of the Sal de los Angeles Report.

- Diamond core drilling; Seven diamond core holes were drilled for the collection of undisturbed core and provide additional geological information. The details and results of the diamond drilling program are further described in Section 10 of the Sal de los Angeles Report.

- Down-hole geophysical surveys: Six RC boreholes were surveyed with downhole geophysics. The results of these surveys are described in Section 10 of the Sal de los Angeles Report.

- Pumping test programs. The results of the pumping tests relevant to this resource estimate are described further in Section 12 of the Sal de los Angeles Report.

Grids and Surveys

Rodolfo Moreno, an accredited surveyor from Salta, was contracted in 2010 by Rodinia to survey RC collars and to provide topographic contours for the property. The survey points were established by differential GPS. Location coordinates are provided using the Universal Transverse Mercator (UTM) system, WGS84 Zone 19 South.

Topographic contours have 1m accuracy and cover the full extent of the salar surface and the majority of the Project mineral tenure.

Hydrogeologic Investigations (2011 and 2012)

SRK assisted Rodinia with a hydrogeological program that included drilling and completion of monitoring wells and production wells; hydraulic testing; pumping tests; tracer tests; analysis; and modeling. The objectives of this program were to:

- More precisely characterize the sedimentology and stratigraphy of the basin-fill deposits;
- Quantify hydraulic conductivity and storativity (K and S) of the basin sediments;
- Estimate K and S of the fractured upper part of bedrock;
- Estimate specific yield (Sy) of the shallow sediments (if possible with the given pumping conditions); and
- Estimate in-situ effective porosity (ne) of the aquifer sediments.

The following description of the hydrogeological test program was taken from SRK 2011.

Drilling and Well Construction

Drilling by Rodinia through mid-2011 was mostly by RC-air and RC-mud drilling, and some core drilling with poor recovery. Cuttings and recovered core are dominated by sand and gravel at all locations. The deepest extents of the basin have not yet been drilled, although there is some indication that in general, finer sandy fill overlies coarser gravel-dominated sediments at depth. The sediments are unconsolidated and all holes tend to collapse without heavy mud to keep them open. The presence of some laterally-extensive clay beds beneath the salar surface is expected, based on the broad surficial muds occupying the current center of the Salar. AMEC (2011) reported that the basin-fill sediments beneath Salar de Diablillos constitute three separate aquifers. However, their drilling results included evidence of a discontinuous aquitard only between their uppermost and middle aquifers, and no significant breaks in the sandy, gravelly stratigraphy of the middle and deep aquifers.

In June 2011 rotary drilling switched from reverse-circulation air-rotary to conventional mud rotary drilling, and this change apparently resolved many of the problems related to gas exsolution

encountered in the previous campaign. The mud also helped to keep the boreholes open during drilling and well construction.

Standard wireline core drilling has not met with similar success. The diamond drillholes (through September) were PQ in size (a hole diameter of 123 mm), and a triple-tube recovery system was used in an effort to enhance core recoveries, which were nevertheless relatively low, especially in sandy and gravelly intervals. Low core recovery might be due in part to the restricted aperture of the bits used to accommodate the triple-tube coring. The gravelly portions of the sediments also impede the effective use of sand baskets to aid in recovery of loose materials.

Brine samples were collected during core drilling after first purging drilling fluids from the sampling interval. Brine sampling employed a heavy, 6m steel bailer on the wireline to purge the corehole at the various sample depths, a process observed to be slow and tedious, especially at greater depths. The bailing process also removed drilling mud from the coreholes, which, in some cases was helping to keep gas in

solution. As a result, in some instances, the suction induced by pulling up the bailer caused de-gassing and consequent violent expulsion of gas, water, mud, wireline, and bailer. Recommendations were made to use 1-inch diameter PVC pipe and small air compressor to airlift-purge the coreholes.

Drilling and well construction at test site DRC-16 was based on the assumption of three semi-distinct aquifers. The sedimentary sequence at DRC-16 was believed, based on interpretations of geophysical data, to be approximately 150 m deep. In fact, the basement contact was encountered at this location at a depth of 102 meters below grade (mbg – here and below, "grade" refers to the surface of a drilling pad constructed of imported fill, to a level of about 1 m above the dry lake bed); core and cuttings showed clayey sediments and caliche to a depth of 12 mbg, sand-dominated sediments to about 50 m, and sandy gravels below that depth. Based on that very general stratigraphy, SRK proceeded with tests based on an upper, or shallow, sand aquifer from surface to about 12 m; a middle sand aquifer from about 12 mbg to about 50 mbg; and a lower, or deep, sand aquifer from about 50 mbg to about 102 mbg.

Drilling for monitoring wells was done both by diamond-core and conventional mud-rotary drilling techniques. Conventional mud-rotary drilling was proceeded by pumping heavy drilling mud down the rods and up the borehole annulus. The available drill rig was not able to drive deep casing, however, this proved to be unnecessary. A blowout system was used at the wellhead to control discharges from de-gassing of the sediments; in most instances though, the heavy mud kept the gas under control.

Well construction in all drillholes was done in open holes, after the rods had been removed, relying on the mud to keep the holes open. Well screens were placed in open holes, without filter sand, relying on the formation sands to collapse around and stabilize the well. Cement baskets were used above the screen intervals to support a solid seal of bentonite pellets. The borehole annuli were then grouted above the bentonite seal with a cement/bentonite slurry. The grout mixture contained a ratio of approximately 10 bags of clean Portland cement to 3 bags of bentonite powder and 1,800 liters of water.

SRK noted that a tremie pipe was not used for emplacement of either the bentonite chips or the cement grout; all materials were introduced into the borehole annuli from the surface, allowing gravity to work the materials into place. Although the drilling mud was more or less replaced with water before introduction of the annular materials, SRK is concerned that in some instances the seals between the screen and the ground surface may have been imperfect, especially in the deeper well completions.

Monitoring Wells

Middle-sand monitoring well DC-01 was constructed in a nominal 6-inch rotary borehole drilled to a depth of 54 m. The well was completed with nominal 2-inch, schedule-80 PVC screen from 42 mbg to 12 mbg. The actual length of the screen was not recorded, however, a tagline down the center of the casing encountered a solid floor at 42 m. Solid 2-inch, schedule-80 PVC casing extends from 12 m depth to surface.

Deep-sand monitoring well DDD-03 was also constructed in a 6-in rotary borehole, and completed with 2-inch schedule-80 box thread PVC screen from 96 to 54 mbg, and solid casing from 54 m to surface. Well construction, including use of a cement basket and emplacement of annular materials, as described above.

DDD-02 (deep-level, basement piezometer) was constructed in a PQ corehole. The basement piezometer was completed with 2-inch schedule 80 PVC screen and casing inserted down the inside of the PQ core rods and shoe bit. A cement basket was included on the PVC sequence just above the screen interval. The screen was set from 154 to 102 mbg; solid PVC extended to the surface. With the PVC string resting on the bottom of the corehole, the rods were retracted to a level above the screen interval, so that the cement basket opened into the open corehole. Bentonite pellets were gravity-fed down the PQ rods to form a seal above the cement basket. Cement grout was then pumped down the rods to fill the annular space above the seal.

A fourth monitoring well, DC-02, was drilled at site DR-16 to be used as an injection well for a tracer test in the sediments. DC-02 was drilled on a line between PT-02 and DDD-03, at a distance of 8 m from

PT-02. The screen interval of DC-02 was the same as that for DDD-03. The well was constructed by methods similar as those used for other monitoring wells, and airlift developed for two hours after the annular cement had set up.

Pumping Wells

The middle-sand pumping test well PT-01 was completed with 140 mm (4.5-inch) schedule 80 PVC screen from 52 m to 12 mbg. No 140 mm solid PVC casing was available at site, so additional PVC screen was run to surface, and wrapped with plastic. A cement basket was placed at 12 m, between the open screen and the sealed screen, and packed with granular bentonite upon installation. Approximately 5 bags of granular bentonite were then poured into the annular space to fill to surface. The remaining hole around the lower open screen was allowed to collapse around the well.

PT-02, the deep-sand pumping test well, was constructed with 162 mm (6.375-in) PVC screen and casing. Screen was emplaced from 89 to 47 mbg (mechanical and hole conditions precluded a deeper screen placement). A nominal 6-inch cement basket was fastened to the casing string at 47 m, and bentonite was placed around the cement basket upon installation. Thirty additional bags of bentonite chips were poured from surface around the annular space of the well, followed by the addition of cement bentonite grout to the surface.

Well Development

All pumping and monitoring wells were airlift developed to remove drilling mud and to help the formation materials to collapse around the well screens. Pressure transducers were used in each development to capture hydraulic data for preliminary analysis of hydraulic properties. Water samples were collected by Rodinia from the deep-sand monitoring well only. Static water levels were measured in each monitoring well one day after well development.

During development of the middle-sand monitoring well DC-01, grout was seen to be seeping out around the annular seal at the surface. Airlifting rates were high, approximately 70 liters per minute (L/min), including discharge from both the well casing and from around the well annulus. The resultant airlift recovery data were used to estimate a preliminary hydraulic conductivity value of about 1.8 m/day. A static groundwater level was measured in DC-01 at 1.2 m below top of casing (TOC). The casing is 0.65 m above the top of grade, which in turn is about 1.0 m above the lake surface. The static water level, therefore, is just slightly above the surface of the Salar (Table 6.1 of the Sal de los Angeles Report).

Basement piezometer DDD-02 was airlift developed at a rate of 5 L/min; recovery was slow. Both drawdown and recovery data collected during the airlift development were analyzed. Graphical, Theis analyses yielded a K value in the fractured bedrock of about 0.01 m/day. The static water level in DD-02 is slightly higher than the top of casing; consequently, there is artesian flow from the well, at a very low rate.

The deep-sand monitoring well DDD-03 was airlift developed at a sustained flow rate of about 90 L/min, for 30 mins. After air was shut off, discharge of gas and water continued at about 40 L/min for 45 minutes. During this process, a transducer recorded pressure changes deep in the well casing. An examination of the recovery data that were recorded after the transition from 70 L/min to 40 L/min indicated a possible K value in the range of about 4 m/day, however, subsequent numerical model results (next section) are considered much more reliable. The static water level is 2.6 m below TOC, and slightly below the lake-bed surface (Table 6.4 of the Sal de los Angeles Report).

Middle-Sand Pumping Test: PT-01

Two long-term pumping tests were conducted at the DRC-16 test wellfield, in the middle-sand and deep-sand pumping wells. The middle and deep tests included approximate 36- and 72-hour periods of pumping, respectively, followed by equivalent periods of recovery.

Pumping of PT-01 was done by airlifting, using compressed air from the rotary drill rig, injected through an ad-hoq wellhead using 1-in high-pressure air hose. Air-water discharge was directed through a cyclone and then to a measuring tank via a lined ditch. The tank included a 90-degree, sharp-crested V-notch weir cut into the end, which was used to measure water discharge rates. The flow rate was also measured by stage-volume at the cyclone discharge, and averaged 8.0 L/s (127 USgpm) through the 36 hour test. De-gassing of the groundwater induced by the pumping is thought to have contributed somewhat to the airlift rate.

The middle-sand pumping test was monitored in DDD-03, DDD-02, and DC-01, using data-recording transducers suspended on cables beneath the wellheads. The monitoring wells were initially sealed at the wellheads during the testing periods, in order to minimize de-gassing of groundwater in the monitoring well casings as pressures declined, which could obscure pressure changes during the tests. Midway through the pumping, the transducers were unsealed, with no unfavorable effects.

The discharge water was not channeled away from the test site, but allowed to pond on the lake bed around the well platform. It was thought that clay and caliche (logged at 12 mbg) would prevent recirculation of the discharged water back into the formation. Unfortunately, drawdown in monitoring wells ceased at about 10 to 18 hours into the test, indicating that recharge was occurring at a rate equivalent to the pumping rate. It is most likely that the discharge water re-circulated to the formation, probably through unsealed boreholes and other construction-related irregularities in the hydrostratigraphy. The curve at DDD-02 "flat-lined" about 8 hours before the curve at DC-01, indicating that the pathway of recirculation was from the south, in the direction of DRC-16 (which did not fill with water) or at DDD-02 itself.

Drawdown curves for DC-01 and DDD-02 from the first 10 hours of the shallow pumping test were analyzed graphically and provided preliminary K values of 3 to 12 m/day in the sediments. These values proved useful in preparing for the second pumping test and accompanying dye-tracer test.

Deep-Sand Pumping Test: PT-02

Pumping in PT-02 was initiated by airlifting, using compressed air from a portable air compressor, injected through a site-constructed wellhead using 1-in high-pressure air hose. The compressed air was turned off for a short time to see if the airlift pumping could continue entirely by way of degassing of the groundwater, but was re-initiated after a few hours when the discharge rate was seen to decline. Air-water discharge was directed again through a cyclone and then to a series of tanks, ending with a tank cut with a 90-degree, sharp-crested, V-notch weir. The flow rate was measured at the weir and at the cyclone discharge, and again averaged 8.0 L/s through the 76 hour pumping period.

Discharge water from the deep-sand pumping test was conveyed away from the test site using two sump pumps and a 6-inch layflat hose. The water was discharged to the lake bed at a distance of 500 m from the test site, and did not drain, on surface, back toward the test. Drawdown in monitoring wells showed no sign of recharge during the 76-hour pumping period.

The deep-sand pumping test was also monitored in DDD-03, DDD-02, and DC-01; and in DC-02, after injection of dye (see below). The monitoring wells were not sealed at the wellheads, except for DC-02, after

dye injection. Drawdown and recovery curves for DC-01, DDD-02, and DDD-03 were analyzed numerically, as described in sections below.

Tracer Test

A dye-tracer test was conducted in the deep sediments during the 72-hour pumping test. The tracer test consisted of injection of a dye into a monitoring well close to the pumping well, and periodic sampling of the pumping discharge water to define the arrival time and dispersion of the dye. For the PT-02 test, a monitoring well (DC-02) was drilled specifically to inject the dye, because the existing monitoring well in the deep sediments (DDD-03), 25 m away from PT-02, was too distant to ensure arrival of the dye in detectable quantities within a reasonable period of time.

The dye mixture consisted of 4.5 Kg (10 lbs) of fluoresceine powder mixed into 350 L of formation water (from DDD-03) for an initial concentration of 13,000 mg/L. From the 350 L batch of dye, standard solutions were prepared by diluting with formation water. Dye standards at concentrations of from 0.01 mg/L to 4.0 mg/L were prepared in glass vials (Figure 6.1 of the Sal de los Angeles Report) to be used in visual (black-light) comparison to discharge-water samples. Unfortunately, the extreme salinity of the brine caused chemical and/or surface reactions between the flouresceine and the dissolved and suspended constituents of the brine. As a result, part of the dye apparently flocculated by the second day.

A small centrifugal pump was used to inject the dye into DC-02, starting 8 hours after initiation of the pumping test. Injection took 14 minutes, after which the injection well was sealed. Samples of the discharge water were subsequently collected in glass sample bottles at regular intervals until the dye concentration obtained a steady, maximum level. The samples were evaluated visually under black light for relative concentrations of the dye; however, the actual concentrations observed were at the very low end of the range of dye-standard concentrations. Consequently, times could be estimated for initial arrival (t0), arrival of the maximum concentration (tmax), and arrival of the midpoint concentration (t50), however, the absolute concentrations could not be quantified. The arrival times for t0, tmax, and t50 were compared to type curves generated by a MODFLOW simulation of the test (see below) to estimate effective porosity and dispersivity values.

Interpretation

SRK used quasi 3-D numerical models (Visual MODFLOW 2010.1) to estimate the hydraulic conductivities (Kh and Kv) from test site PT-01 and PT-02. Two numerical models were constructed (one for each pumping test) using the geological information from the site, the distance between piezometers and pumping well, screen intervals of piezometers, and time and pumping rates. The numerical approach was found to be superior to analytical methods because traditional pumping test analyses are not designed to evaluate tests with multi-level monitoring wells screened in different levels and units.

The numerical groundwater models used for evaluation of the pumping and tracer test results included the following attributes:

- A 3-D quadrant model of 5,000m by 5,000m by 200m;
- Fine grid sizes of 0.2m by 0.2m in the pumping well area, which coarsened to approximately 600m by 600m further away from the piezometer area;
- The ground surface and all layers simulated as horizontal beds throughout the model extent;

- Pumping wells simulated by Pumping Well cells, using four to six hydraulically connected layers for screen intervals;
- Monitoring wells simulated using the Head Observation Well option with observation points in the same layer as the screen interval;
- No recharge applied to the model due to the short time of the pumping test;
- Initial water levels assumed to be 2 m below the ground surface elevation; and
- All simulations made in the transient state.

Each simulation correlated the simulated drawdown to the measured drawdown, using different values of horizontal and vertical hydraulic conductivities (Kh and Kv), with the goal of obtaining a single hydraulic conductivity value for each unit in each site tested. In PT-01, pumping induced a stress within the host shallow and middle sand units (combined) and the underlying deep sand unit. In PT-02 the pumping induced a stress within the deep sand unit, between the shallow/middle sands and the Bedrock.

Model Results

Optimal calibration of the two models yielded a horizontal hydraulic conductivity (Kh) value of 4 m/day, and a vertical hydraulic conductivity (Kv) value of 0.02 m/day for the combined shallow/ middle sand. The low Kv in the shallow/ middle sand in part reflects the presence of the clay/caliche aquitard at 12 mbg, which was not modeled discretely.

Deep sand values of Kh and Kv best calibrate at 4 m/day and 1 m/day, respectively. The numerical analysis of the pumping test results show the basement rocks to be of relatively low hydraulic conductivity, with calibrated Kh equal to Kv = 0.01 m/day.

Additionally, specific storage values of 1.0x10-5/m, 1.0x10-6/m, and 5.0x10-7/m were found, respectively, in the shallow/middle sand, deep sand, and basement rock units. Table 6.2 od the Sal de los Angeles Report summarizes the results of the numerical analysis of the test data.

The calibrated deep-sand was used as a basis for tracer test analysis, which was carried out during the PT-02 pumping test. Because the samples collected at the recovery well contained dye in concentrations at the very low end of the range of visible dye concentrations, the goal of the analysis was to obtain dispersivity and effective porosity values using the initial arrival (t0) and arrival of the maximum concentration (tmax).

The tracer-test model simulation used the hydraulic conductivity (Kh, Kv) and specific storage (Ss) values obtained from numerical analysis of the pumping tests. Additionally, estimated specific yield (Sy) of 10% and 1% were assumed for sand units and bedrock, respectively. Results of the analysis include reasonable values of 15% for effective porosity and 15 m for dispersivity in the deep sand Unit (Table 6.2 of the Sal de los Angeles Report).

DCO-3 Pumping Test

In late 2012, a 36 hour pumping test was conducted in the vicinity of DRC-01. Pumping was done in well DPT-03 while monitoring wells DCO-3 and DDD-07. The test was conducted while the surrounding area was flooded, and late-time data in the test hydrographs in both monitoring wells suggested a possible recharge from surface water either leaking through an unsealed well casing or entering the test horizon from other unsealed drillholes in the vicinity. However, the hydrograph from the pumping well showed no

recharge effects, and the recovery data were used to calculate transmissivity. Results showed a K value 0.7 m/day. The K value is lower than obtained in the tests from the DRC-16 tests, and is consistent with the finer-grained sediments logged in this area.

Historical Production

To date, there is no recorded historical production of lithium or potassium from Sal de Los Angeles. Previous production has been limited to borates (ulexite and borax).

Geological Setting, Mineralization and Deposit Types

Regional Geology

According to Turner (1972) and Isacks (1988), the main lithium-bearing region of South America is located in the Altiplano Puna plateau, which is approximately 2,000 km long by 300 km wide with an average elevation of 3,700 m, controlling the geomorphology of the central Andes. A volcanic arc forms the western margin of the Puna/Altiplano. East of the volcanic arc, local volcanic edifices are present within the plateau. The volcanic arc and eastern volcanic centres have been active from Miocene times to the present day (Jordan and Gardeweg, 1989) and they are the origin of mineralized fluids. Uplift of the plateau is the combined result of late Tertiary crustal shortening and magmatic addition (Isacks, 1988).

The climate of the Puna varies from semiarid on the eastern border to arid along the western volcanic arc. The volcanic arc marks the limits of the Puna hydrologic basin to the west and a tectonic highland area to the east (Eastern Cordillera). In the southern Puna, combinations of east-trending volcanic chains and north trending, reverse fault-bounded structural blocks bound several hydrologic sub-basins (Alonso, 1986; 1991; Vandervoort, 1995). Extensive salars cover the basin floors, which are typically surrounded by expansive alluvial systems. Thick (up to 5 km) sections of Neogene strata are present within the modern depositional basins (Jordan and Alonso, 1987; Alonso et al., 1991) containing evaporites (mainly halite, gypsum and borates) and alluvial clastic material with minor tuffaceous horizons (Alonso, 1986). Exposed Neogene strata are present in reverse fault-bounded slices along salar margins or as intrabasin uplifts within salars (Vandervoort, 1995). Waters drain towards these closed basins so that the only way of returning to the hydrological cycle is by means of evaporation, leaving behind brines enriched in various metals and salts, sometimes including anomalous levels of lithium, boron, and/or potassium.

The Salar de Diablillos is located on the western margin of the central portion of the Puna geological province (Turner, 1972) and within the Puna Austral geological sub-province defined by Alonso et al., (1984). The altitude of the saline salt flat or playa is approximately 4,000 masl. The Salar constitutes a typical evaporite depositional environment emplaced within an isolated depression bound by Pre-Palaeozoic, Palaeozoic and Cainozoic crystalline metamorphic basement rocks (Vinante & Alonso, 2006).

Local and Property Geology

The basement of the Salar corresponds to the Rio Blanco Precambrian metamorphic complex. Extensive alluvial plains ascend to the north and south. The Salar has a thin salt efflorescence crust covering a layer of borate ulexite on almost all salar surfaces (Alonso, 1986). Towards the edges, this crust graduates to a more clastic facies. Travertine deposits from former springs are irregularly distributed across the Salar. Substantial sediments were deposited from the southeast and north and cover most of the Salar.

Based on the auger, RC and core drilling carried out to date, as described in Section 10 of the Sal de los Angeles Report, three general units within the Salar can be identified as follows:

Unit 1

Unit 1 includes an upper layer of 3-4 m thick that consists of calcareous sediments caliche and clays. Below the borate layer, generally between 1m and 5m below surface occurs mix of clays, thin evaporite facies (sodium chloride, mirabilite (Na2SO4–10H2O)) carbonate facies, ulexite facies and coarse grained clastic sediments from alluvial fans encroaching on the salars. Thinly-bedded clay, silt, sand and evaporite facies (mostly halite and scarce gypsum) continue below.

Unit 2

Unit 2 consists primarily of stratified fine to medium sands with occasional coarser sands and gravels in a proportion from 55% to 90%. Clay and silts occur as secondary lithologies in a 10% to 45% proportion.

Unit 3

The lithology of Unit 3 is similar to Unit 2; but with an increase in fine to coarse grained gravels. Clays and silts again occur as secondary lithologies.

The bedrock underlying the above three units was intercepted by 10 boreholes as further described in Section 10 of the Sal de los Angeles Report. A seismic refraction survey carried out across the Salar, as described in Section 9 of the Sal de los Angeles Report, further refined the understanding of the bedrock topography which is shown in Figure 7.3 of the Sal de los Angeles Report. Depth to bedrock varies from approximately 23 to 186 m. This bedrock surface is used in the resource model (Section 14 of the Sal de los Angeles Report) to define in part the geometry of the of the resource model domain.

Mineralization

The hydrothermal fluids that are inferred to be the source of boron to the basins have been associated with correlative levels of lithium and potassium (Viramonte, Alonso, Gutierrez & Argañaz, 1984). Examples of this are the Cauchari, Ratones and Diablillos salars which exhibit high concentrations and distribution of borate minerals as well as high concentrations of lithium in sub-surface brines. The Salar de Diablillos hosts near surface borate mineralization, primarily in the form of ulexite (Alonso, 1984). According to Viramonte et al (1984) it is possible to classify the salars of the region based on this association between lithium and borates in two groups: lithium-borate rich and lithium-borate deficient.

Although limited published literature is available describing the stratigraphy of the basin, there are various references to the large extent and grade of the ulexite mineralization within the surficial sandstone strata. The Salar is generally described as a "boratera" referring to the ulexite mineralization that covers parts of the Salar, varying from 20 cm to several metres in thickness (Alonso 1984, Alonso 1999, Alonso 2006, among others). The borate minerals are an example of chemical-evaporitic sedimentation in arid continental environments with periods of active volcanism.

The areal distribution of borates within the Salar is irregular and is thought to be related to the location of the hot springs from which they are derived (Alonso 1999). In Diablillos remains of ancient hot spring deposits have been identified so that the predominant hypothesis is that their genesis is directly related to the supply of hot boron-bearing water from vents at the margins and/or interior of the depressions (Alonso & Gutierrez, 1984; Alonso 1988). These hydrothermal fluids rose through fracture planes that structurally control the depressions during periods of relaxation, or within extensional periods in the predominantly compressive regional tectonics. As shown in Figure 7.1 of the Sal de los Angeles Report, the Salar de Diablillos is bound to the south by the roughly east–west-trending Ratones fault(s), to the east by a

perpendicular north-south unnamed fault, and to the west by a chain of granitic-composition hills that are elongated north–south and are probably structurally controlled.

Local Setting

Salar de Diablillos is a detrital salar, located in the northwest portion of the Diablillos hydrographic basin as shown in Figure 8.1 of the Sal de los Angeles Report. The hydrographical basin is an enclosed intermountain plane with a length of approximately 40 km in the north–south direction and a width of approximately 15 km in the east–west. The Salar surface covers approximately 33 km2.

The southern portion of the Salar receives fresh water inflow from the Rio Diablillos and some minor intermittent inflow from Rio Relincho. The northern portions of the Salar may receiver intermittent inflow from Rio Cuevas Negras. No surface water flow records are available for these tributaries.

Groundwater Levels

During RC drilling, Rodinia's geologists registered the depth of ground water level and the depths where artesian conditions were encountered. Table 8.1 of the Sal de los Angeles Report summarizes this information. The reasons for the artesian conditions are not well understood at this stage but are likely related to some confining (low permeability) layers in the Salar. The occurrence, depth and thickness of this confining layer do not appear continuous between boreholes.

Drainable Porosity

Porosity is highly dependent on lithology. Total porosity is generally higher in finer grained sediments, whereas the reverse is true for drainable porosity or specific yield since finer grained sediments have a high specific retention. The lithology within the Salar is highly variable with gravel-sand-silt-clay mixes spanning the full range of possibilities. Thus, it is only possible to discriminate the dominant lithology, for example, sand dominant or clay dominant. With this in mind, it is not surprising that the porosity of sand dominant, or clay dominant (for example) lithologies have a wide range with considerable overlap. Values for specific yield were determined from Relative Brine Release Tests and pumping tests. Table 8.3 of the Sal de los Angeles Report presents the range of drainable porosities observed in the Salar. The analysis of drainable porosity is further discussed in Section 12 of the Sal de los Angeles Report.

Permeability

Permeability has been determined from pumping tests carried out on two production wells. The analysis of the pumping tests is further discussed in Section 12 of the Sal de los Angeles Report. The results of the permeability calculations from the pumping tests are summarized in Table 8.3 of the Sal de los Angeles Report.

Exploration

Gravity Survey (2010)

Rodinia contracted Quantec Geoscience Argentina S.A. (Quantec Geoscience) to conduct a gravity survey at Salar de Diablillos with the objective of determining the bedrock topography of the Salar and providing data for 3D model depth estimates.

The gravity survey consisted of nine east-west gravity profiles and one north-south tie-line. The nominal line separation was 1,000 m or 1,500 m. Down-line survey stations were located at 250 m intervals.

For the modeling process, data were interpreted using the free air gravity reduction method. Since density measurements from the survey site were unavailable at the time of the surveying and modelling, a value of 1.7g/cm3 was assumed for the sandy overburden, whereas 2.6 g/cm3 was found to produce the best data fit over the hills around the Salar.

In order to achieve a better global fit, a first-order trend correction of the northern tie-lines was introduced through the addition of an underlying wedge of 2.9 g/cm3.

These different gravimetrical compensations could represent a more complex lithological sequence, like for example, the presence of alluvial fans with possible different densities at the northern and southern of the salar limits.

The gravity model shows a larger "gravity low" or depression elongated in the north-south direction in the northwest portion of the salar basin; another "gravity low" is apparent towards the southeast. These gravity lows are consistent with depths in which brine flow was recorded at RC holes and support the continuity of the brine resource across the salar.

Seismic Survey (2011)

In June 2011 Rodinia contracted Geophysical & Exploration Consulting S.A. (GEC) to conduct a seismic tomography survey over the Salar de Diablillos claims. A total of 52 km of lines were surveyed between June 2011 and December 2011. The field survey was operated and supervised by D. Aguado (Geophysical Operator/Party Chief)/GEC and data processing and the final interpretation were carried out by S. Bölling (Senior Geophysicist)/GEC. Final reports were produced by March 2012.

The main objective of the seismic survey was to define the bedrock topography in addition to map stratigraphy and structure relative to the occurrence of brine. Figure 9.1 of the Sal de los Angeles Report shows the locations of the 12 seismic refraction tomography lines (light green lines). The map also shows the gravity survey grid (light blue lines).

GEC used the 24-bit GEODE3 Acquisition System to carry out refraction tomography surveys. The Geode seismic recorder is a seismic recording system that combines the Geometrics' traditional seismic recorders with the flexibility and convenience of a distributed system. It is ideal for refraction or reflection tomography surveys.

The Geode seismic modules house from 3 to 24 channels each, weigh only 3.6 kg and interconnect using inexpensive digital network cable. The Geode will run all day on a small 12 Volt battery and sleeps when not in use. For light-duty applications, Geode can be run from a laptop to view, record, and process acquired

data. The software interfaces to the Geode as a simple high-speed network device, eliminating the need for special drivers and cards.

The final seismic data processing sequences were carried out in the GEC office in Mendoza, Argentina. The processing sequences included the following main steps:

- Geometry editing,
- Shot and trace edit,
- Picking of travel times FIRST BREAKS (including trigger delay corrections),
- Calculation and fixing of refracted waves,
- Calculation of initial Velocity model,
- Correction of FIRST BREAKS,
- Delta-TV Inversion (initial model for WET Inversion)
- WET Inversion (final model),
- Depth value correction relative to the sea level of the earth's surface,
- Plotting of results (depth-velocity sections),

Interpretation

The refraction tomography data processing was carried out with the Intelligent Resources Inc. Program package RAYFRACT 32. The final interpretation of the seismic sections was based on the WET Inversion results, the regional geology information, the available drillhole information and the technical reports (PEA Technical report on the Diablillos Property/NI 43-101 on the Diablillos Property) compiled by SRK (2011) and AMEC (2011).

Considering the seismic velocity distributions (velocity range 600 m/s to 5,600 m/s) GEC defined the following layers for the interpretation:

Surficial Layers:

- Dry Alluvial Sediment Layer (600 m/s – 1,600 m/s in some parts up to 2,000 m/s) principally detected over the extensive alluvial plains ascending to the north and south.
- Partially saturated Salar Crust Layer (600 m/s – 1,300 m/s) covering almost the entire Salar surface.

Intermediate sediment Layers:

- Sediment Layer I (below Salar Crust Layer): sand, gravels, caliche, and clays (1,300 m/s –1,600 m/s). This layer seems to disappear below the alluvial plain areas.
- Sediment Layer II (below the Sediment Layer I): fine to medium sand (1,600 m/s – 2,200 m/s in some parts up to 2,400 m/s).

- Sediment Layer III (overlaying the Basement): medium to coarse sand and gravels (2,200 m/s – 3,200 m/s).

- Finer grain size fractions such as clay and silt (1,800 m/s – 2,200 m/s) in between the intermediate sediment sequences were also marked in parts of the sections although the confidence in this interpretation has to be improved due to the still existing ambiguities.

Rock Basement Layers:

- Top Basement Layer: Bedrock (e.g. gneiss / schist) highly weathered, fractured jointed, etc. (3,200 m/s – 4,400 m/s). The top of the rock basement is characterized by a seismic velocity of 3,200 m/s (depth of bedrock boundary).

- Sound Bedrock Layer: Seismic velocities higher than 4.,00 m/s were interpreted as sound bedrock (e.g. gneiss / schist).

- Probable basement structures as well as probable fault structures were also interpreted and depicted in the sections.

Aquifer Test at DPP-01 (2016)

During July 2016, a 3-day pumping test was conducted at DPP-01, on the same platform as DPT-03, which was airlift tested in 2012. Results from the 2016 test show a hydraulic conductivity (K)value of 1.3 m/day, somewhat higher than the 0.7 m/day found in 2012. No boundaries were encountered during the 3-day test. The analyses from the 2016 test of DPP-01 are further discussed in Section 12 of the Sal de los Angeles Report.

It is the opinion of the author that the values for the hydraulic parameters of the pumping tests appear reasonable. The average values obtained for specific yield (or drainable porosity) from the pumping tests is 0.17 and is somewhat higher than those values obtained from the RBRC tests.

Additional Hydraulic Testing (2016)

SRK carried out additional hydraulic testing in the northern-most portions of the Diablillos basin in 2016. Tests were attempted in core holes DDD-04 and DDD-05, and in DRC-13, where PVC casings were found to be accessible. However, recovery hydrographs from the three airlift tests showed either the casings to be unsealed, so that surface water flowed into the wells during testing, or insufficient stress on the aquifer to overcome wellbore-storage effects. As a consequence, the results of the three completed airlift tests cannot be reliably analyzed for hydraulic properties.

Drilling

Auger Program (2010)

Rodinia performed the auger hole sampling program. The field team used a gas-powered auger to drill the 2–3 m deep auger holes. A six-inch diameter auger blade was used for the first two metres of drilling and then downsized to a four-inch diameter auger blade for the final metre of drilling. A four-inch diameter

plastic casing, perforated at the lower end was inserted into the hole to minimize caving of the hole prior to the water sampling.

The auger hole locations were selected on an approximately regular 300 m x 300 m grid spacing in the nucleus of the salar. Minor displacements from the theoretical grid location result from drilling difficulties caused by the presence of caliche layers. The objective of the auger campaign was to map lithium concentrations and brine chemistry near the surface, as well as subsurface water levels and surface geology. Limited information on the results of the auger program was available to the author at the time of this preparation of this report and therefore the results of the auger program were not included in the 2016 resource estimate as described in Section 14 of the Sal de los Angeles Report.

Reverse Circulation Program (2010-2011)

Rodinia retained Compañia Argentina de Perforaciones S.A. (CAPSA), an independent drill contractor, to drill the Reverse Circulation (RC) holes. CAPSA used a T4W Ingersoll Rand rig with 8", 6", and 4½" drill pipe and tri-cone bits.

RC holes were drilled on an irregular grid of up to 1.5 x 1.5 km with the objective of defining the margins of the salar and the depth extent of the brines. RC locations were selected to target the deeper portions of the salar based on the results of the gravity survey. Brine samples were airlifted from selected depth intervals during the drilling. Table 10.2 of the Sal de los Angeles Report presents a summary of brine assays from the RC program.

The holes were initially located using a non-differential GPS unit; the final locations of the RC holes were surveyed by Rodolfo Moreno, an accredited surveyor from Salta. No down-hole deviation surveys were performed due to the shallow length of the drill holes and the fact that all drill holes are vertical.

Diamond Drilling Program (2011)

Seven diamond drill holes were drilled by Rodinia between June 2011 and September 2011. Major Drilling S.A. was contracted to perform the diamond drilling. All seven diamond drill holes were collared at sites used previously for reverse circulation drill holes. The purpose of the core holes was to confirm the stratigraphy at these locations, verify flow rates by airlifting from defined intervals, and confirm brine grade and chemical composition.

Diamond drill results were also used to aid in seismic tomography interpretation, in particular the basement contact, as two of these diamond drill holes intersected the basement lithology. In some cases, diamond drill holes also serve as observation or monitoring wells for pump tests, as is the case with DDD-02 and DDD-03, which were both drilled on the DRC-16 site where pump tests were performed by SRK in 2011.

The diamond drilling generally shows a consistent basin fill grading from upper sandy layers, with some interbedded clays, to coarser grained gravels towards the basement contact. In some instances the basal stratigraphy is composed of abundant angular rock fragments most likely derived directly from the underlying basement rocks. Basement rocks appear to be either metamorphic schists or phyllites.

Core recovery of the DD program as shown in Table 10.4 of the Sal de los Angeles Report ranged between 6% and 58%. It is recommended that the drilling methodology for future drilling programs is carefully reviewed with an aim to improve overall core recovery and facilitate additional laboratory porosity analysis.

Borehole Geophysical Logging (2011)

Wellfield Services Ltda. (Wellfield) conducted downhole geophysical surveys in six RC drill holes during 2011: DRC-07, DRC-08R, DRC-11, DRC-13, DRC-14 and DRC-16. Figure 10.2 of the Sal de los Angeles Report shows the results of the downhole logging.

Total porosity values from the neutron–neutron logs varied from a minimum of 0.29 to maximum of 0.47. Formation density values ranged between 1.9 grams per cubic centimeter (g/cm3) and 2.7 g/cm3.

The neutron logging tool records neutron absorption which can be correlated to the hydrogen content in soil. Factors which can affect the result of the logging, and which require the instrument to be appropriately calibrated, include hole diameter, fluid characteristics, presence of chlorides or salt water, presence of hydrogen atoms in the downhole lithology (for example in clays, gypsum).

Sampling, Analysis and Data Verification

The author has reviewed the protocols of the reverse circulation (RC) drilling, diamond drilling (DD) and brine sampling performed by Rodinia between 2010 and 2011 that is described in NI 43-101 "Technical Report on Brine Resource Estimate, Salar de Diablillos Project, Salta Province, Argentina" (AMEC, 2011) and "NI 43-101 Technical Report, Preliminary Economic Assessment, Salar de Diablillos Project" (SRK, 2011).

Reverse Circulation Drilling Brine Sampling

A procedure established by Rodinia and TRU Group at Clayton Valley was implemented at Diablillos. The procedure establishes that brine and sediments samples are airlifted when possible. Injection of drilling fluids (water) is allowed only in the upper part of the hole until before the water table is intercepted; after that, only air was used to avoid dilution or contamination of the brines. Logs for each RC drill hole were completed which consisted of the following: lithology (primary and secondary), flow (measured as seconds per 18 liters), temperature, pH, specific gravity, electrical conductivity, decantation time, total dissolved solids (TDS) and operational conditions, among other observations such as brine coloration and absence of flow. Brine and solids recovery were recorded. Rock chips/sediments and brine were collected every 6 m, or less when a noticeable change in the grain size from visual inspection or consolidation occurred. However, if collected more frequently, the samples were combined into a 6 m representative sample after geological logging. Solid samples were stored in plastic trays.

The chip samples recovered during the RC drilling were logged and photographed. Solids and liquid fractions were separated at the cyclone; no sieving was involved. The liquid from the cyclone was allowed to stand for several minutes to let the small amount of sediments to settle out.

The brine samples were taken after the drilling was stopped and the equipment lifted, allowing for the total flushing of the internal pipe until the brine appeared reasonably clean of sediment. Drill holes were allowed to fill with water, and in cases where there was sufficient inflow, pumped out in order to rinse the hole and minimize the effect of material that may have fallen into the hole. The drill holes were then allowed to fill again for two hours from the aquifer below, and then a sampling device was lowered into the hole to collect the brine samples.

In the original resource assessment, AMEC (2011) stated that they were of the opinion that the sampling procedure, samples collected, and methods employed and approach were thorough, and provide sufficient information to support brine resource estimation:

- All collection and bagging of solid and brine samples were carried out by Rodinia personnel.
- Sample collection and handling of cuttings was undertaken in accordance with industry standard practices, with procedures to limit potential sample losses and sampling biases.
- No factors were identified within the drilling programs that could affect the reliability of the sample data used for brine resource estimation.
- Data are collected following industry-standard sampling protocols for brine deposits.
- There are no drilling or recovery factors identified that would materially impact the accuracy and reliability of the drilling results.
- The samples collected are considered of sufficiently high quality to provide unbiased results of the gross brine geochemistry.
- The size of the sampled areas is representative of the distribution and orientation of the brines.

The author of the Sal de los Angeles Report has reviewed the RC drilling and brine sampling protocols and is of the opinion that these are reasonable and adequate to support the Indicated and Inferred mineral resource estimate described herein. *Diamond Drilling Brine Sampling*

Diamond drilling was completed using a triple tube recovery system in an effort to enhance core recoveries, which were nevertheless relatively low, especially in sandy and gravelly intervals. Low core recovery might be due in part to the restricted aperture of the bits used to accommodate the triple-tube coring. The gravelly portions of the sediments also impede the effective use of sand baskets to aid in the recovery of loose materials.

Brine was collected during core drilling after first purging the sample interval. Sampling employed a heavy, 6-m steel bailer on the wireline to purge the borehole at the various sample depths, a process observed to be slow and tedious, especially at greater depths. The bailing process also removed drilling mud from the boreholes, which in some cases was helping to keep gas in solution. As a result, in some instances, the suction induced by pulling up the bailer caused de-gassing and consequent violent expulsion of gas, water, mud, wireline, and bailer. SRK recommended using a 1-inch PVC pipe and small air compressor to airlift-purge the boreholes.

The author of the Sal de los Angeles Report is of the opinion that sampling during diamond core drilling is generally reasonable to provide additional information to support the brine resource assessment. Future diamond drilling should more accurately record the type and volumes of fluids used during drilling, sampling purging and collection methods, include the use of a conservative tracer, and other QA/QC procedures. Efforts should be made to improve core recovery in future core drilling programs.

Brine Sample Preparation and Analysis

One set of 500 mL brine samples, corresponding to 6 m drill hole intervals, was packaged and sent to ALS, in Fort Collins, Colorado, USA. ALS is an ISO 9001:2000 certified laboratory.

Samples were submitted to the laboratory with their drill hole identification depth. At ALS, a correlative number was provided. Because of this, control samples inserted by Rodinia as part of their QA/QC program were not blind to the analytical laboratory. ALS sample receipt records indicate the samples arrived in good condition with no apparent damage, except for some occasional leaks.

Based on the reports provided by ALS, samples were received at ambient temperature and were unpreserved. Prior to analysis, samples were filtered, but not digested.

Samples were assayed for barium, boron, calcium, iron, lithium, magnesium, potassium, silicon, silicon as SiO2, sodium, and strontium using trace inductively-coupled plasma (ICP) method 6010B and to SOP 834, Rev. 7 and Rev. 8. Details of the elements and detection limits are summarized in Figure 11.3 of the Sal de los Angeles Report.

Brine Sample Security

Sample security during the drilling program relied upon the remote nature of the site and the fact that samples were locked at the warehouse at the camp and Salta. Brine samples were stored in tamper-proof containers which could not be opened without destroying the containers.

The B series samples were collected for future analysis and as a backup samples in case A series samples became damaged during transport. The B series of samples were stored at Rodinia storage facilities in Salta.

RBRC Preparation and Analysis

Rodinia shipped seven undisturbed samples to Daniel B. Stevens & Associates Inc. (DBSA)in Albuquerque, New Mexico, USA, for determination of porosity and Relative Brine Release Capacity (RBRC) (equivalent to specific yield (Sy)). The undisturbed samples were selected from DD drilling intervals with high core recovery rates (near 100%). There is no detailed information available to the author about the selection, preparation and shipping of these undisturbed core samples.

The author of the Sal de los Angeles Report is of the opinion that the sample collection, preparation and analysis are reasonable and adequate for the brine mineral resource prepared herein. Low core recovery observed during the diamond core drilling program should be improved in future exploration drilling campaigns. It is recommended that sonic drilling is used for part or all of future exploration drilling campaigns. Sonic drilling will facility high core recovery rates, minimizes potential sample contamination as generally no drilling fluids are required, and provides high quality core for additional porosity laboratory analysis.

Data Verification

Brine chemistry analysis

The preponderance of the data has been verified as part of the original resource assessment that was completed by AMEC (2011). This information was originally described in the NI 43-101 "Technical Report on Brine Resource Estimate, Salar de Diablillos Project, Salta Province, Argentina" (AMEC 2011) and "NI 43-101 Technical Report, Preliminary Economic Assessment, Salar de Diablillos Project" (SRK 2011b). An independent data verification was carried out by the author. In support of the data verification, the author randomly compared the assay certificates (original laboratory data reports) to the compiled database for approximately 50% of the samples; no deviations were identified that would affect the resource estimation. A similar finding was also noted by AMEC (2011). In regard to drill collar locations, AMEC (2011) verified

the location of the drill collars of 30% of the holes using a hand-held GPS unit, and did not observe significant differences compared to the location recorded in the database. The author of the Sal de los Angeles Report carried out a random review of boreholes locations during his 2016 site visit with a hand-held GPS and did not observe significant deviations.

Analytical QAQC

Analytical quality assurance and quality control was monitored through the use and insertion of blanks and standards throughout the sampling program. The geochemistry database compiled for this assessment consisted of 353 samples of which 28 blanks, 29 standards, and 296 primary samples were submitted for chemical analysis. Approximately 16% of the samples were submitted for QAQC with blank or standard samples being submitted on average approximately every 14 m. During drilling, primary samples were composited along approximately 6 m intervals for a total composited length approximately equal to 1,735 m. Samples were collected during 2010 and 2011.

The majority of the primary (254) and QAQC (48) samples were collected from RC holes and sampled over approximately 1,487 m. The following RC holes were sampled as part of this resource assessment: DRC-1, DRC-2, DRC-3, DRC-4, DRC-5, DRC-6, DRC-7, DRC-8R, DRC-9, DRC-10, DRC-11, DRC-12, DRC-13, DRC-14, DRC-15, DRC16, DRC-17, DRC-18, DRC-19, DRC-20, and DRC-21. The remaining dataset consisted of primary (42) and QAQC (9) samples collected from diamond holes and sampled over approximately 248 m. The following diamond holes were sampled as part of this resource assessment: DDD-1 and DDD-2.

As stated by AMEC (2011), QAQC samples are typically blind-inserted into the sample stream and submitted to the analytical laboratories. However, assay certificates from ALS show that this was not the case, as samples were submitted to the laboratory with the drill interval marked for drill samples, and no interval if the samples were QAQC samples. Typically, QAQC samples should be labeled with no reference information. The author of the Sal de los Angeles Report do not believe the procedure employed by Rodinia historically has effected data quality but emphasize that this should be avoided for all QAQC and primary samples in the future.

Blanks

Blanks are used to measure contamination that may have been introduced into the sample as a result of sampling and/or laboratory related activities. Typically, sources of contamination may occur as a result of field activities, insufficient equipment decontamination, laboratory analysis ore reporting errors, or contamination at the laboratory. The exact nature of how the blanks were collected for the project (e.g., equipment blank, field blank, etc.) has not been documented to date. So the targeted source of bias and potential contamination can only be generally assessed; this is further compounded by the chemical nature of the water that was used as a blank (i.e., commercial mineral water as opposed to distilled water).

Blank samples were inserted into the program by Rodinia personnel at a rate of approximately 1 per 62 m on average. All of the blanks were submitted to ALS labs. Commercial mineral (bottled) water was used which is contrary to convention which recommends the use of distilled water. Blanks should have little to no chemical signature so that most analyte concentrations cannot be detected, thereby reporting analytical detection limits. As expected, based on the use of commercial mineral water as a blank, the presence of low-level contamination is evident by the high number of blanks that reported detectable concentrations of Li, Mg, K, and B as shown in Figure 12.1 of the Sal de los Angeles Report. Cross contamination between sampling cannot be ruled out but is considered to have a low-probability of effecting the results because of the elevated concentrations of the brine resource. The average concentrations measured in the primary

samples for the analytes of interest (Li, Mg, K, and B), and most major ions, are a few orders of magnitude above concentrations measured in the blanks as shown in Table 12.1 of the Sal de los Angeles Report.

The results of one blank sample suggest a very limited contamination issue. For the one sample the metals concentrations were comparable to the other blank samples while concentrations of chloride and sulfate (but not bicarbonate, the other major anion) report concentrations more typical of a brine; the source of this error is likely a result of incorrect labeling in the lab or a reporting error by the lab. This error has not been identified elsewhere within the dataset and is considered to be a random error that should not affect the resource estimate.

Standards

Standards are used to measure the accuracy of the laboratory analyses. For brine resource assessments, standards of known concentration are submitted to the laboratory throughout the sampling program. Rodinia prepared a standard from brine collected from DRC-8R. No additional details are known about how this standard was prepared. The standard, named "New Standard", was subject to a round robin using three certified laboratories: ALS, SGS in Lakefield, Canada, and Alex Stewart in Mendoza, Argentina. SGS Laboratory in Lakefield is an ISO 9001:2000-certified laboratory (AMEC 2011). Alex Stewart branch in Mendoza is an ISO 9001:2000-certified laboratory (AMEC 2011). Three samples were submitted to each lab for a total of 6 samples. These standard samples are not considered part of the geochemical database but are used to determine the chemistry of the standard. There were 18 samples of the New Standard that were inserted into the sampling program in 2010 and 2011 to evaluate potential bias in the analytical measurements.

The standards submitted as samples are compared to the average chemistry determined from the round robin. Standards submitted are considered excessive if two or more standards in a row have more than two standards deviations from the mean, on the same side of the mean. The data are plotted in Figure 12.2 of the Sal de los Angeles Report for the principal analytes of interest (Li, Mg, K, and B). Only two standards failed the statistical check for potassium and boron showing a lower concentration. This occurred at the end of the sampling program. Lithium and magnesium analyses are accurate.

Rodinia also used a certified standard that was diluted using mineral water. The certified standard was provided by INORGANIC VENTURES of Christiansburg, Virginia, USA. There were 11 samples of the New Standard that were inserted into the sampling program 2010 to evaluate potential bias in the analytical measurements. Unfortunately, no analyses of the diluted standard were completed for QAQC and potential bias can only be assessed qualitatively only for lithium. The data are in general agreement.

Ion Balance

Ion balance was used as a measure of analytical accuracy. Theoretically water samples should be electrically neutral. However, slight positive or negative charge imbalance is typically observed. The majority of the samples yielded reasonable charge imbalance. Approximately 4% of the dataset was higher than ±10% and approximately 30% of the dataset was higher than ±5%. Typical acceptance criterion is a maximum difference of ±5%. Despite the large number of analyses with high charge imbalance the author of the Sal de los Angeles Report feel that the data are acceptable for the resource estimate since the principal analyte of economic interest, most notably lithium, are present at equivalent concentrations much less than other cations that are controlling the ion balance such as sodium. For example, equivalent concentrations of lithium are approximately 3% of the cations while sodium represented approximately 83%.

Follow-up Duplicates

To supplement time-of-sampling QAQC procedures, follow-up analyses of the B-series samples, between one and two years after the samples were collected, was completed by SRK after the original resource assessment was completed by AMEC (2011). The methodology for the assessment and results were not documented by SRK and therefore any conclusions regarding their interpretation should be regarded as speculative. In this context, the results of B-series follow-up analyses are used a soft, qualitative check on the original analytical results. The analyses are not referred to as duplicates to avoid categorization errors with standard nomenclature. It is also imperative to point out that the author of the Sal de los Angeles Report cannot verify the actual sample submission process as they were not involved with the project at the time. SRK submitted 15samples from 12 RC holes for follow-up analyses. The manner in which these samples were selected was not disclosed by SRK. Despite all of these limitations, the analyses are in good agreement for the principal analyte of economic interest, most notably lithium. For example, the average concentration between the two datasets only varied by approximately 20 mg/L.

Relative Brine Release Capacity

Details of the Relative Brine Release Capacity Test

Seven undisturbed samples were shipped to Daniel B. Stevens & Associates Inc. in Albuquerque, New Mexico (DBSA) for determination of porosity and Relative Brine Release Capacity (RBRC) (equivalent to specific yield (Sy)).

The Relative Brine Release Capacity test predicts the volume of solution that can be extracted from an unstressed geologic sample. The test method is briefly described below:

- Undisturbed samples from the site were saturated in the laboratory using site specific brine solution. The bottom of the samples are then attached to a vacuum pump using tubing and permeable end caps, and are subjected to a suction of 0.2 to 0.3 bars for 18 to 24 hours. The top end cap is fitted with a one-gallon air bladder which allows sufficient drainage while inhibiting continuous atmospheric air flow. The vacuum system permits testing multiple samples simultaneously in parallel. The samples are then oven dried at 60°C.

- Based on the density of the brine, the sample mass at saturation, and the sample mass at 'vacuum dry', the volumetric moisture (brine) contents of the samples are calculated. The difference between the volumetric moisture (brine) content of the saturated sample and the volumetric moisture (brine) content of the 'vacuum dry' sample is the "relative brine release capacity".

This methodology has been widely accepted by companies involved in the lithium brine exploration activities and is regarded as being a suitable method for determination of Specific Yield (Houston, 2011).

DBSA employed the following standard test methods for determination of some of the physical properties of the samples:

- Dry Bulk Density: ASTM D7263

- Moisture Content: ASTM D7263

- Calculated Porosity: ASTM D7263

- Particle Size Analysis: ASTM D422

- USDA Classification: ASTM D422, USDA Soil Textural Triangle

DBSA relied upon the brine solution density provided by Rodinia in calculating the volumetric moisture (brine) content. Particle densities of the samples were calculated based on the assumption that the samples were 100% saturated after the saturation stage of the test procedure. The calculated particle density was then used to calculate the total porosity of each of the samples. Volume measurements for each sample were obtained at the "as received", "saturated", and "vacuum dry" conditions. It is noted that due to irregularities on the sample surfaces, volume measurements should be considered as estimates.

RBRC test results

FloSolutions carried out an independent review of the results of the RBRC test as described below. Drainable porosity is largely dependent on lithology which is highly variable in the Diablillos brine aquifer as observed from the drilling results. Therefore, based on the particle size analyses carried out by DBSA on each sample the samples were grouped in two types as follows: 1) sand dominant mix, 2) silt-clay dominant mix. Table 12.2 of the Sal de los Angeles Report shows the results of the laboratory drainable porosity analyses.

Pumping Tests

Flosolutions carried out an independent review of the pumping test results by carrying out a re-analyses of the pumping test data. Table 12.3 of the Sal de los Angeles Report shows a summary of pumping tests carried out for the Sal de los Angeles Project between 2011 and 2016. The results of the pumping test re-interpretation of the 2011 DPT-2 and 2016 DDP-1 are shown in Figure 12.3 and 12.4 of the Sal de los angeles Report. The results of the DDP-1 and DPT-3 tests (2016) were discarded due to large variation on pumping rates, and uncertainty in pre-test static water levels. Table 12.4 summarizes the results of this work.

The pumping test analysis calculated values for transmissivity between 199 m2/d and 1,460 m2/d. Values calculated for specific yield (or drainable porosity) from the pumping tests ranges from 0.09 to 0.29. The average specific yield value is 0.17 and is somewhat higher than those values obtained from the RBRC tests.

It is the opinion of the author of the Sal de los Angeles Report that the values for the hydraulic parameters of the pumping tests appear reasonable and correlate well with values obtained in other salars with similar lithology.

The author of the Sal de los Angeles Report is of the opinion that the data collection, analysis, the QA/QC methodology applied and the data verification are reasonable and adequate for the brine mineral resource prepared herein. Low core recovery observed during the diamond core drilling program should be improved for future exploration drilling campaigns. It is recommended that sonic drilling is used for part or all of future exploration drilling campaigns. Sonic drilling will facility high core recovery rates, minimizes potential sample contamination as generally no drilling fluids are required, and provides high quality core for additional laboratory porosity analysis. Additional long-term pumping tests are recommended to further characterize hydraulic parameters of the mineral resource in Salar de Diablillos.

Mineral Processing and Metallurgical Testing

Initial processing and metallurgical testing of the Sal de los Angeles brine for lithium recovery was performed by Rodinia between 2010 and 2015. Testing focused on conventional processes whereby impurities are removed from the brine by the addition of certain reagents and the resultant brine left to

evaporate in solar evaporation ponds until a desirable concentration of lithium in brine solution is reached. Tests were performed both in laboratories and on site, including running a pilot pool facility, constructed using eight lined pools of approximately three metres in diameter each.

Testing performed by Rodinia concentrated on removing magnesium impurities from the brine early in the ponding cycle by adding various qualities and forms of lime. These tests were successful in removing magnesium so that it would drop below 100 ppm Mg in solution.

An important step forward for the project was the incorporation of Eduardo Morales (Chief Operating Officer of the Corporation) and Andrés Barrientos (Project Manager of the Corporation) on June 29, 2016 who, along with Bob Cinq-Mars, constitute a very strong group with knowledge and experience in developing brine resources for the production of lithium, potassium, boron and other salts. As a result, the pilot pool testing activities at Diablillos were expanded to continue the process optimization at the existing conditions of wind, rain, solar radiation and temperatures found at the site.

The brine will continue to concentrate via solar driven evaporation in conventional lined ponds until the desired level of lithium concentration is reached, expected to be above 5% lithium by weight, or approximately 30% lithium chloride by weight. The concentrated brine, orbittern, at levels above 5% lithium by weight, contains residual magnesium and boron.

Boron is completely removed in a liquid-liquid extraction process. The boron free brine feeds the lithium carbonate plant to eliminate the residual magnesium and other ions prior to lithium carbonate precipitation.

In parallel to the on-site pilot testing work, additional testing at a laboratory scale was initiated to evaluate a new technology to extract lithium directly from brines. The advantage of this technology, if it proves to be applicable to Sal de los Angeles brine, is that it makes the process independent of the seasonal effects on temperature and evaporation levels. In addition, it provides a significant reduction in the solar ponding area and reduces the lithium losses due to entrainment in the salts.

Raw Brine Chemistry

The chemistry of the brine has been monitored over time and space by means of results from exploration work conducted by Rodinia and the Corporation and the systematic measurements of brine from a flowing artesian well between 2012 and present. The brine used for this test work has a chemistry and mineral composition that is representative of the brine that will be extracted by the Project's future production wellfield. The average inflow brine chemistry to the pilot facility is shown in Table 13.1 of the Sal de los Angeles Report.

Subsequent tests have shown 10 to 20 ppm nitrogen, analyzed as nitrates and nitrites, to be present in the brine. This likely originates in nearby caliche deposits. Nitrates, for the purpose of this evaluation will be ignored because lithium nitrate is equally or more soluble than any other component in the chemistry. Nitrates do not present a problem in the production of carbonate. Initial test work suggests that the brine should be amenable to conventional process technology with recoveries similar to other existing lithium operations.

Current On-Site Process

The current contemplated lithium recovery process is a combination of solar evaporation steps, in-field brine treatment, by-product boric acid and sylvinite recovery and chemical processing to produce lithium products. Lithium X is in the process of testing different process flow sheets, including the flowsheets described in SRK (2011) at its on-site pilot pong facility. The objective is to produce a high purity

concentrated brine with at least 5% lithium by weight. This product, should it be achieved, is intended as feed for existing or new battery grade lithium carbonate and/or lithium hydroxide plants.

Significant Factors

The salar is at an elevation of approximately 4,000m with daily temperatures at night to be at or below freezing. Daytime temperatures vary in the single digits in the winter to 25 to 30 degrees Celsius in the summer. The variation of temperatures will have a serious effect on the crystallization of compounds as well as changing the dynamics of the phase diagram. Piloting on site over several full seasons has allowed for additional understanding of the effects of wide temperature variations at Sal de los Angeles. Testing will continue to test the effects on crystallization of compounds for different process routes.

Evaporation at the altitude of the salar is an advantage over evaporation at sea level due to the low atmospheric pressure. This will enhance evaporation at the lower diurnal temperatures at the salar. Another important factor for enhanced evaporation rates is the low level of magnesium in the brine in relation to other producing deposits, including the Salar de Atacama.

Variation of the brine chemistry from the well field should have minimal instantaneous effect on the process and there will be significant averaging brine composition in the salt fields due to the volumes handled. Any major shift in brine chemistry will be identified by the sampling of the ponds during production and allow the operation to shift or divert flow to maximize recoveries of products as well as increase or decrease treatment flow.

Mineral Resource Estimate

Overview

The essential elements of brine resource determination for a salar are:

- Definition of the aquifer geometry,
- Determination of the Specific Yield (Sy) of the hydrogeological units in the salar, and
- Determination of the concentration of the elements of interest.

Resources may be defined as the product of the first three parameters. The use of specific yield allows the direct comparison of brine resources from the widest range of environments. Specific yield is to be estimated for separate layers in the salar if these are separated by impermeable layers.

Aquifer geometry is a function of both the shape of the aquifer, the internal structure and the boundary conditions (brine / fresh water interface). Aquifer geometry and boundary conditions can be established by drilling and geophysical methods. Hydrogeological analyses are required to establish catchment characteristics such as ground and surface water inflows, evaporation rates, water chemistry and other factors potentially affecting the brine reservoir volume and composition in-situ. Drilling is required to obtain samples to estimate the salar lithology, specific yield and grade variations both laterally and vertically.

Resource Model Domain and Aquifer Geometry

The model resource estimate is limited to the Corporation's mining concessions in Salar de Diablillos that cover an area of 8.186.5 ha.

The resource model domain is constrained by the following factors:

- The top of the model coincides with brine level in the Salar that was measured in a number of boreholes and monitoring wells historically and during the author's site visit.

- The boundaries of the model domain in the north and south defined by a 2 km cut off radius from the nearest borehole.

- The western and eastern boundaries of the model domain either coincide with claim boundaries or with the physical Salar boundary in areas where the claim boundaries fall outside of the nucleus of the Salar.

- The bottom of the model domain coincides with the bedrock contact. The bedrock surface was defined by RC and DD drilling intercepts and further refined by the seismic refraction data.

Specific Yield

Specific yield is defined as the volume of water released from storage by an unconfined aquifer per unit surface area of aquifer per unit decline of the water table.

The specific yield values used to develop the indicated resource are based on results of the logging and hydrogeological interpretation of chip samples and recovered core of 11 RC boreholes and 7 DD boreholes, results of 7 Relative Brine Release Capacity tests on undisturbed core samples, and two pumping tests. The boreholes are appropriately spaced at a borehole density of one bore per 1.3 km^2.

The specific yield values used to develop the inferred resource are based on results of the logging and hydrogeological interpretation of chip samples and recovered core of 10 RC boreholes and their correlation with the results of the 7 RBRC tests and the two pumping tests. The boreholes within the inferred resource are appropriately spaced at a borehole density of one bore per 2.9 km^2.

Brine Concentrations

The distributions of lithium, potassium and boron concentrations in the model domain are based on a total of 353 brine analyses (including QA/QC analyses) as discussed in Section 7 of the Sal de los Angeles Report.

Resource Category

The CIM Council (May 10, 2014) adopted the following definition standards for minerals resources:

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes. Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre- Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under NI 43-101.

There may be circumstances, where appropriate sampling, testing, and other measurements are sufficient to demonstrate data integrity, geological and grade/quality continuity of a Measured or Indicated Mineral Resource, however, quality assurance and quality control, or other information may not meet all industry norms for the disclosure of an Indicated or Measured Mineral Resource. Under these circumstances, it may be reasonable for the Qualified Person to report an Inferred Mineral Resource if the Qualified Person has taken steps to verify the information meets the requirements of an Inferred Mineral Resource.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Pre-Feasibility Study which can serve as the basis for major development decisions.

Consequently, in the opinion of the Qualified Person the inferred and indicated resource areas as shown on Figure 14.1 of the Sal de los Angeles Report and Figure 14.2 of the Sal de los Angeles Report are adequate and appropriate.

Resource Model Methodology and Construction

The resource estimate was developed for the Corporation's Sal de los Angeles Project using SgeMS software. Dr. Gregoire Mariethoz, Professor at the University of Lausanne, Switzerland led the numerical model effort to develop the resource estimate. All aspects of the numerical modeling were reviewed and approved throughout the resource estimate process by the author, and therefore verified by the author. The following steps were carried out to calculate the Li, K and B resources

1. Evaluation of the spatial distribution of the assay data (brine concentrations and drainable porosity)

Analysis of the assay data indicate that brine concentrations (Li, K, and B) are not correlated with porosity (Sy), and therefore they can be both interpolated independently on a regular grid.

Geostatistical analysis provides the most appropriate method to interpolate values when data are scarce. The most common methods are either kriging (in order to obtain an averages estimation) or stochastic simulations (to obtain different scenarios, therefore allowing to estimate uncertainty). In this resource estimate only the kriging methodology was applied using the SGeMS software [Remy et al., 2009]. If brine concentrations and porosity were correlated together, the interpolation would need to be constrained such that this correlation would need to be respected throughout the grid. This could be accomplished with co-kriging or co-simulations, which are significantly more cumbersome to apply. Fortunately the use of these methods is not justified here.

There is a strong correlation between Li, K and B, but are not correlated with Sy. Li, K, and B were modeled separately; therefore their strong correlation is not explicitly imposed in the simulations. However, since the final resource estimate for each element only depends on the relationship to drainage porosity, this should not affect the final estimates, and it is not necessary to use co-kriging or co-simulation. The high and low values in each simulation of Li; K and B taken separately, might not be highly correlated, however, on average the data tend to agree, and in the kriging the high values of Li tend to be at the same locations as the high values of K and B..

The first step of the geostatistical analysis is to adjust variograms on the data. Variograms are needed in 3 directions: N-S horizontal, E-W horizontal, and vertical for the brine concentration datasets as well as the porosity data. The horizontal variograms rely on few data and are inferred largely empirically due to the spacing between boreholes and their relatively small number.

2. Definition of model grid The model domain covers an area 54.6 km2 (Inferred resource area: 32.4 km2; the indicated resource area 22.2 km2. The model grid for the resource area consist of 52,154 nodes with a node size of 150 m in the x and y directions and 6 m in the v direction.).

3. Kriging Kriging represents in each point the most probable value and therefore can be used to obtain a single estimate. However, kriging is a smooth estimate that does not account for heterogeneity, and therefore it often represents a conservative estimate. In particular here, it will not account for areas of very high or very low concentration or extreme porosity values. Kriging can be seen as the average of all possible scenarios. Interpolation of the Li, K and B concentrations in mg/L and Sy in each node was carried out using kriging and the variogram models derived in Step 1. Figure 14.1 through 14.3 show depth slices at the 4,000 m , 3,950 m and 3,904 m elevation through the kriged Li, K and B concentration distribution models.

4. Resource estimation:

The estimates of the amount of lithium, potassium and boron (resource) in each node xi of the model are done by applying the following operation:

$$R(xi) = Li(xi) * Sy(xi),$$

Where:

i is the indice of the node, going from 1 to 52,154

R represents the resource in g/m3,

Li the lithium concentration of the brine, and

Sy the porosity.

Resource Estimate

The lithium, potassium and boron resource estimate were calculated as the volume under the grade contours and are summarized in the table below. A lithium cut-off grade of 100 mg/L was applied to the resource estimate.

Indicated and inferred resources for the Sal de los Angeles Project, August 29, 2016
(Lithium cut-off concentration of 100 mg/L applied)

	Indicated			**Inferred**		
	Li	K	B	Li	K	B
Aquifer area (km^2)	22.2			32.4		
Acquifer volume (km^3)	3.195			3.807		
Mean specific yield	0.122			0,120		
Brine volume (km^3)	0,390			0,457		
Mean grade (g/m^3)	60.8	668.7	67.6	49.3	539.0	60.7
Concentration (mg/L)	501	5,512	556	410	4,489	505
Resource (tonnes)	194,860	2,143,491	216,807	189,130	2,068,161	232,601

Notes to the resource estimate:

1. CIM definitions were followed for Mineral Resources.

2. The Qualified Person for this Mineral Resource estimate is Frits Reidel, CPG

3. A lithium cut-off concentration of 100 mg/L has been applied to the resource estimate

4. Numbers may not add due to rounding

5. The effective date is August 29, 2016.

The lithium grade-tonnage curve for the indicated resource shows the tonnage is not very sensitive to lithium concentration cut-off below 300 mg/L.

The lithium grade-tonnage curve for the indicated resource (Figure 14.3 of the Sal de los Angeles Report) shows the tonnage is not very sensitive to lithium concentration cut-off below 300 mg/L.

It is the opinion of the author of the Sal de los Angeles report that the Salar geometry, brine chemistry composition and the specific yield of the Salar sediments have been adequately characterized to support the Indicated and Inferred Resource estimate for the Project herein.

It is the opinion of the author of the Sal de los Angeles Report the resource estimated and described in the current report meet the threshold of reasonable prospects for eventual economic extraction, as defined in Form 43-101F1. The resource described herein has similar lithium concentrations, chemical composition and hydraulic parameter values (drainable porosity values between 0.09 and 0.29 and hydraulic conductivities values between 1 m/d and 14 m/d) to resources currently in commercial production such as those in Salar de Oaroz also located in the Puna region of Northen Argentina within 150 km of Sal de los Angeles. The hydraulic parameters of the resource area determined from the results of the pumping tests

suggests that it is reasonable to expect brine extraction by a conventional production wellfield at a commercially viable rate, while the geochemical characteristics of the brine suggest that conventional processing techniques may be employed to produce saleable lithium products in an economically profitable manner. These conventional processing techniques are employed in most lithium brine operations, including the two operations at Salar de Atacama (Chile), one at Salar de Olaroz (Argentina), and one at Clayton Valley (USA)

A lithium cut-off concentration of 100 mg/L has been applied to the resource estimate. The cut-off grade was determined by analyzing currently producing lithium brine operations world-wide, current and future lithium pricing forecasts, supply and demand forecasts for lithium products, as well as preliminary capital cost and operating cost exercises for potential conventional operation on Sal de los Angeles. The lithium cut-off concentration reflects the consistently increasing pricing of lithium carbonate products that have risen substantially over the last 2 years as a result of increasing demand driven by the battery market. The increased pricing enables lower grade brines to be potentially economic. While lithium grades are certainly a factor in lithium brine processing costs, they have a greater impact on the capital requirements of conventional ponding facilities, as the lower grade requires larger ponds to accommodate more lower grade brine. In addition, current lithium brine facilities that have been in operation for several years are approaching the cut-off concentration employed and remain profitable, as is the case with the Silver Peak operation in Clayton Valley, Nevada, USA.

Subsequent Exploration and Development (2017)

This section describes work completed after the effective date of the Sal de los Angeles Report (August 29, 2016).

During the third quarter of 2016 the existing pilot processing facilities, consisting of an on-site laboratory, weather station and 4 metres diameter pools, were expanded to double the trial capacity. Processing trials were immediately initiated focusing on maximizing recovery and minimizing reagent use to achieve a 5% lithium brine concentrate, which is the initial production focus for the SESA JV pilot facility. It is also expected to be the basic product supporting upcoming economic analysis to be incorporated into a Pre-Feasibility Study or Feasibility Study. The studies are been conducted by the Company's COO, Mr. Eduardo Morales and General Manager, Mr. Andres Barrientos and are following similar processing routes to those employed in the Salar de Atacama mining operations.

An exploration program commenced in February 2017, focusing on resource expansion and resource category upgrade.

An additional seismic survey was completed over the northern portion of the Diablillos basin. At present the entire basin is covered by seismic surveys allowing for full basin models to be created with accuracy. A drill program consisting of diamond drilling to basement depths further north of the existing resource boundary and sonic drilling in the northern and southern portions of the basin was completed. The northern portion of the basin contains higher grade brines hosted in predominantly sand and gravel layers, with approximately 9 square kilometres of this area yet untested by drilling. The 2017 work program also included long term pumping tests at the existing production well site DPP-01. Results from the pumping test are still pending. The data collected during this program will be incorporated into an upgraded resource and maiden reserve statement as part of the Feasibility Study.

In September 2017, Lithium X announced the initial results of the drill program, which consisted of diamond drill holes DDD-08 to DDD-10 and sonic drill holes DSO-01 and DSO-02. The drill program was successful in expanding the brine field to the north and establishing favourable well field conditions.

Three diamond drill holes were completed to bedrock depths covering the northern basin extension defined by the previously completed seismic survey. DDD-09, drilled in the center of the northern basin extension intersected 564 mg/l Li over 179.5 metres starting at 84 metres below surface. The horizon is comprised of a single aquifer dominated by sands and gravels down to the basement interface at 244 metres, where highly fractured bedrock material hosts brine down to 263.5 metres. Brine sampling was conducted using drive point technology to ensure in-situ sampling and corroborated using a packer system.

Diamond drill holes DDD-08 and DDD-10 were drilled on the edges of the northern basin extension and intersected the same sand and gravel dominated aquifer. The drill holes intersected brine intervals of 400 mg/l Li over 7.5 metres and 581 mg/l Li over 68 metres. Average magnesium to lithium and sulphate to lithium ratios in the three drill holes range from 3.5 to 4.1 and 9.1 to 14.0 respectively, showing very similar brine characteristics to established resource brines. These drill holes successfully demonstrate brine continuity throughout the northern portion of the basin all the way to the basin margins.

Drill recoveries during the program ranged from 40% to 100%, showing a marked improvement over historical recoveries in the basin. 93 samples consisting of 15 cm intervals of drill core were collected and sent from Relative Brine Release Capacity ("RBRC") testing. RBRC testing provides valuable porosity data to help determine specific yield of the aquifer materials.

Two sonic drill holes were completed within known resource limits. DSO-01 was drilled just north of the salar surface where the proposed well-field is contemplated. The hole was drilled to the rig's maximum depth of 179 metres, encountering brine from 47 metres below surface to the end of the hole. The 132 metres intersection averaged 571 mg/l Li with the bottom 54 metres averaging 637 mg/l Li. Magnesium to lithium and sulphate to lithium ratios averaged 3.5 and 9.6 respectively over the 132 metre brine column. DSO-01 intersected a single aquifer dominated by sands and gravels, lithologies typically possessing favourable pumping conditions.

DSO-02 was drilled in the southern portion of the basin, with the primary purpose of providing additional stratigraphic and porosity data in order to enhance the confidence level of this area, where a large portion of the inferred resource is located. Both sonic drill holes averaged over 87% recovery and a total of 76 samples were sent for RBRC testing. Final brine sample results for DSO-02 and all RBRC results have not been received by the Company.

The Company is currently working with FloSolutions Chile, which authored the Sal de los Angeles Report, on the exploration program.

DIVIDENDS

No dividends on the Common Shares have been paid by the Corporation. Management anticipates that the Corporation will retain all future earnings and other cash resources for the future operation and development of its business. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Corporation's board of directors after taking into account many factors including the Corporation's operating results, financial condition and current and anticipated cash needs.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which 85,451,917 Common Shares and no preferred shares are issued and outstanding as at the date of this Annual Information Form. The holders of Common Shares are entitled to one vote for each Common Share held, and shall be entitled to dividends if and as when declared by the

board of directors. Holders of Common Shares are entitled on liquidation to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares are fully paid and non-assessable.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

The Corporation's Common Shares are traded on the TSX Venture Exchange under the symbol "LIX". The following table sets out the high and low daily closing prices and the volumes of trading of the Corporation's Common Shares on the Exchange from July 1, 2016 to June 30, 2017.

COMMON SHARES			
Period	**Price Range**		**Trading Volume**
	High ($)	**Low ($)**	
June 1 – 30, 2017	2.04	1.88	3,676,271
May 1 – 31, 2017	2.24	1.93	9,040,294
April 1 – 30, 2017	1.87	1.63	9,247,916
March 1 – 31, 2017	1.98	1.44	14,910,535
February 1 – 29, 2017	2.29	1.93	8,563,066
January 1 – 31, 2017	2.30	1.99	5,338,917
December 1 – 31, 2016	2.26	1.84	4,784,970
November 1 – 30, 2016	2.35	1.72	8,401,359
October 1 – 31, 2016	2.29	1.68	4,898,758
September 1 – 30, 2016	2.40	2.17	4,780,203
August 1 – 31, 2016	2.45	2.01	14,219,228
July 1 – 31, 2016	2.05	1.54	7,808,050

PRIOR SALES

During the financial year ended June 30, 2017, the Corporation issued the following securities that are outstanding but not listed or quoted on a market place:

Date of Issue	Number of Securities	Security	Price per Security ($)
July 13, 2016	300,000	Stock Options	$1.65
July 28, 2016	120,000	Stock Options	$1.80
February 1, 2017	150,000	Stock Options	$2.21
April 18, 2017	1,645,000	Stock Options	$1.90

ESCROWED SECURITIES

ESCROWED SECURITIES

The following Common Shares of the Corporation are subject to a contractual restriction on transfer:

Designation of Class	Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	2,250,000 (1)	2.63%
Common Shares	3,000,000 (2)	3.51%

Notes:

(1) These Common Shares are held in escrow with Computershare Investor Services Inc. pursuant to an Escrow Agreement dated November 24, 2015 and will be released from escrow as to 750,000 Common Shares on each of November 27, 2017, May 27, 2018 and November 27, 2018.

(2) These Common Shares are held by Aberdeen and are subject to a hold period expiring on May 10, 2018.

DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDINGS

The following are the names, province and country of residence of the directors and officers of the Corporation, the positions and offices they hold with the Corporation and their principal occupations during the five preceding years.

Each director will hold office until the next annual general meeting of the Shareholders unless his office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Corporation.

Name and Municipality of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years
Brian Paes-Braga(3) BC, Canada *Chief Executive Officer and a Director*	November 26, 2015	CEO and a Director of the Corporation since November, 2015; Former Managing Director of Intrynsic Capital Corporation from December 2013 to April 2015; Former Vice-President of Jordan Capital Markets from February 2009 to December 2013
Paul Matysek(2) BC, Canada *Executive Chairman and a Director*	November 26, 2015	Executive Chairman of the Corporation since November 2015; CEO, President and Director of Goldrock Mines Corp from 2012 to July 2016; CEO of Lithium One Inc. from Nov 2009 to 2011; President and CEO of Potash One Inc. from Nov 2007 to Jan 2011.
Michele Ashby (1)(3) Colorado, United States *Director*	December 15, 2016	CEO, President of Ashby Consulting Enterprises LLC since 2012; Independent Director of McEwen Mining from 2005 to present; CEO of MINE LLC form 2005-2013;

Name and Municipality of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years
Robert McLeod [(1)(2)(3)] BC, Canada *Director*	November 26, 2015	President and Chief Executive Officer, IDM Mining Ltd. (TSX: IDM) since October 2013 and Vice-President of Exploration from April 2011 to October 2013; Former CEO and VP of Exploration, Full Metal Minerals Ltd. (TSXV: FMM) from May 2004 to October 2014.
Harry Pokrandt [(1)(2)] BC, Canada *Director*	November 26, 2015	CEO of Hive Blockchain Technologies Ltd. since August 2017. Business consultant since August 2015; Former Managing Director of Macquarie Capital Markets Canada Ltd. from September 1985 to August 2015.
Bassam Moubarak BC, Canada *Chief Financial Officer*	April 18, 2017	Chartered Professional Accountant. Chief Financial Officer of the Corporation since April 2017 and director of Highway 50 Gold Corp (TSXV) since 2016. Director of Pure Energy Minerals since May 2017. Former Chief Financial Officer of Goldrock Mines Corp from April 2013 to July 2016. Former Chief Financial Officer of various mining companies since 2008.
Jasvir Kaloti BC, Canada *Corporate Secretary*	November 26, 2015	VP – Corporate Finance of Fiore Management & Advisory Corp. since July 2015. Former Chief Financial Officer and Corporate Secretary of Redhill Resources Corp. (TSXV: RHR) from November 2006 to April 2014; Former Corporate Secretary of Cap-Ex Iron Ore Ltd. (TSXV: CEV) from July 2013 to May 2014; Former Chief Financial Officer and Corporate Secretary of Cap-Ex Iron Ore Ltd. from September 2009 to March 2012.
William Randall Ontario, Canada *VP Project Development*	March 1, 2016	President and Chief Executive Officer of Arena Minerals Inc, (TSXV: AN) since June 2012.
Eduardo Morales Santiago, Chile *Chief Operating Officer*	June 28, 2016	COO of the Corporation since June 28, 2016; Former Chief Executive Officer of Rockwood Holdings from October 1998 to March 2015

Notes:

(1) Member of Audit Committee

(2) Member of the Compensation

(3) Member of the Corporate Governance and Nominating Committee

The directors and officers of the Corporation, as a group, own, directly or indirectly, 5,691,512 Common Shares representing approximately 6.65% of the total issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Other than as described below, during the ten years preceding the date of this Annual Information Form and as at the date of this Annual Information Form, no director or executive officer of the Corporation has, to the knowledge of the Corporation, been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive

officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, and that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, during the ten-year period preceding the date of this Annual Information Form and as at the date of this Annual Information Form, no director or executive officer of the Corporation or a security holder who holds a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(b) is a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

CONFLICTS OF INTEREST

The directors and officers of the Corporation are directors, officers and/or shareholders of other private and publicly listed corporations, including corporations that engage in mineral exploration and development. Conflicts may arise between their duties to the Corporation and their duties to such other corporations. All such conflicts will be dealt with pursuant to the provisions of the applicable corporate legislation. In the event that such a conflict of interest arises at a meeting of the Directors, a Director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the board of Directors as soon as they become aware of them.

PROMOTERS

Mr. Brian Paes-Braga, the Chief Executive Officer and a director of the Corporation, is a promoter of the Corporation. Mr. Paes-Braga owns 3,438,606 Common Shares, representing 4.02% of the issued and outstanding Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management knows of no legal proceedings, contemplated or actual, involving the Corporation which could materially affect the Corporation.

Management knows of no:

(a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended June 30, 2017; or

(b) any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or

(c) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended June 30, 2017.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No (a) director or executive officer of the Corporation; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities; or (c) associate or affiliate of any of the persons or companies referred to in paragraphs 1 or 2 has, during any of the financial year ended June 30, 2017 and during the current financial year, any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The Registrar and Transfer Agent for the Corporation's Common Shares is Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

The following is a list of all contracts which the Corporation or its subsidiaries are a party to, and which currently can reasonably be regarded as material to a security holder of the Corporation:

1. PLASA SESA JV Agreement.

INTERESTS OF EXPERTS

The following are the persons or companies:

1. who were named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or relating to, the fiscal year ending June 30, 2017, being the Corporation's most recently completed financial year; and

2. whose profession or business gives authority to the statement, report or valuation made by the person or company:

    (a) KPMG LLP, Chartered Accountants:

        (i) provided an auditor's report dated October 19, 2017 in respect of the Corporation's financial statements for the year ended June 30, 2017 and incorporated by reference into this Annual Information Form; and

(ii) is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

(b) Frits Reidel is the author responsible for the preparation of the Sal de los Angeles Project Report.

ADDITIONAL INFORMATION

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – Audit Committees requires companies that file an Annual Information Form to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is provided in Schedule "A" hereto.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") which may be accessed at www.sedar.com. Copies of such information may also be obtained on the Corporation's website at www.lithium-x.com or on request without charge from Jasvir Kaloti, Corporate Secretary of the Corporation, Suite 3123 – 595 Burrard Street, Vancouver, British Columbia, V7X 1J1.

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the 2016 Management Information Circular of the Corporation. Additional financial information is provided in the Corporation's Financial Statements and the Management's Discussion and Analysis for the year ended June 30, 2017. Copies of such documents may be obtained in the manner described above.

SCHEDULE "A"
TO THE ANNUAL INFORMATION FORM OF
LITHIUM X ENERGY CORP.

AUDIT COMMITTEE INFORMATION

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of Lithium X Energy Corp. (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

(1) The Committee shall consist of at least three members of the Board of Directors (the "Board").

(2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

(3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the Shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

(4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

(5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

(6) The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

(7) Meetings of the Committee shall be conducted as follows:

(a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

(b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

(c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

(8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

(1) The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

(2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

A. contents of their report;

B. scope and quality of the audit work performed;

C. adequacy of the Corporation's financial and auditing personnel;

D. co-operation received from the Corporation's personnel during the audit;

E. internal resources used;

F. significant transactions outside of the normal business of the Corporation;

G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

H. the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

(3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

(4) The Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

A. the annual report to Shareholders;

B. the annual information form, if required;

C. annual and interim MD&A;

D. prospectuses;

E. news releases discussing financial results of the Corporation; and

F. other public reports of a financial nature requiring approval by the Board,

and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Corporation's financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;

(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of Shareholders.

(5) The Committee shall have the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Committee; and

(c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Harry Pokrandt, Michele Ashby and Robert McLeod, all of whom are considered independent. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The Instrument provides that an individual is "financially literate" if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Corporation's audit committee are financially literate as that term is defined in the Instrument. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Committee member relevant to the performance of his responsibilities as a Committee member is as follows:

Harry Pokrandt brings over 30 years of experience in Canada's capital markets, and recently retired from Macquarie Capital Markets Canada Ltd after a successful career as a trader, underwriter and investment banker. Mr. Pokrandt has worked on numerous financing and advisory assignments in the metals and mining sector over the course of his career and has a BA in Economics from Hillsdale College. He has served as a director as well as an audit committee member of three junior public mining companies since 2015. This experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Michele Ashby is Principal of Ashby Consulting Enterprises ACE LLC, a business consulting practice, specializing in financial and executive training as well as training for women wanting to sit on corporate boards. Ms. Ashby has sat on 5 corporate boards in the past 12 years and is currently on two public boards, McEwen Mining (MUX:NYSE) and Lithium X Energy Corp (LIX:TSXV) both mining companies. Ms. Ashby comes from an extensive background in finance and mining, beginning her career as a stock broker and mining analyst. This experience has given her the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Robert McLeod is a professional geologist with over 24 years of experience in mining and mineral exploration working for a variety of major and junior mining companies. He has served as a director and officer and audit committee member of several junior public companies over the course of his career, which experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, KPMG LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of the Instrument, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to

apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

KPMG LLP, Chartered Accountants, will be nominated at the next annual general meeting of the shareholders of the Corporation for appointment as the auditors of the Corporation with their remuneration to be fixed by the Board of Directors. KPMG LLP have been the Corporation's auditors since September 1, 2016. Prior to that, the Corporation's auditors were Dale Matheson Carr-Hilton Labonte LLP. The aggregate fees billed by the external auditors in fiscal 2016 and fiscal 2017 are detailed below.

	FYE 2016	**FYE 2017**
Audit fees during the year ended June 30	$ 37,500	$170,000
Audit related fees	Nil	Nil
Tax fees	Nil	$ 54,102
All other fees (non-tax)	Nil	Nil
Total Fees:	**$ 37,500**	**$ 224,102**

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument