NI 43-101 Technical Report
Property of Merit Report
Terra Cotta Project
Salar de Pocitos, Northwestern Argentina

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Report Prepared for

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Forward looking notice:

Sections of the report contain estimates, projections and conclusions that are forward-looking information within the meaning of applicable securities laws. Forward-looking statements are based upon the responsible QP's opinion at the time that they are made but in most cases involve significant risk and uncertainty. Although the responsible QP has attempted to identify factors that could cause actual events or results to differ materially from those described in this report, there may be other factors that cause events or results to not be as anticipated, estimated or projected. There can be no assurance that forward-looking information in this section of the report will prove to be accurate in such statements or information. Accordingly, readers should not place undue reliance on forward-looking information.

Summary (Item 1)

Property Description and Ownership

This Technical Report for the Terra Cotta Project ("the Project") was prepared at the request of the management of Pure Energy Minerals Limited ("Pure Energy", or "the Company"), which is on the TSX Venture Exchange in Toronto, Canada (PE.V) and OTC Markets in the USA (PEMIF). This Technical Report is written in accordance with the guidelines of the Canadian Securities Administrator's National Instrument ("NI") 43-101 Standards of Disclosure for Mineral Projects and Form 43-101F, per the TSX Venture Exchange's Policies and Regulations, and has been written by the Qualified Persons ("QPs") listed in this report.

The Terra Cotta Project is in northwestern Argentina, 159 km east of the city of Salta. Provincial route no. 17 is located adjacent to the Project. The Terra Cotta Project is in an early exploration stage, with no drilling completed. Another lithium explorer reported results from surface pit sampling at the property in 2010. Pure Energy is not treating the historical sample results as its own, but has discussed them in this report for purposes of providing historical context. On January 10, 2017, Pure Energy executed a binding letter of intent ("LOI") defined the material terms and conditions of the option to purchase 100% interest in the Terra Cotta Project. The option agreement was closed on March 9, 2017 based on the terms set out in the LOI.

Ownership

The Terra Cotta Project consists of 10 mining exploitation claims located in the Salar de Pocitos, in the municipality of San Antonio de Los Cobres, Los Andes Department, Salta Province. All of the claims currently have the status of exploitation claim, or "mines". This type of claim includes all the exploration work in the total area of 13,075 ha included in the 10 mining claims. The mining claims, originally claimed by two companies, are currently under the control of four individuals each of whom has equal participation in the mining, supported by a Transfer Agreement that is registered in the Mining Curt and in process of final approval. Nine out of ten claims were officially granted by the Mining Court to the applicant's companies and/or individuals on July 31, 2017. One of the claims, which was originally requested as a new claim, is still in the process of final approval by the mining authorities.

On December 22, 2016, Pure Energy signed a LOI to acquire the Pocitos Project (now referred to as the Terra Cotta Project) from the current owners, Solaris S.R.L and Minera Cerro Juncal, S.A. The LOI established that Pure Energy would acquire 100% of the mining claims over a two-year period. On March 9, 2017, Pure Energy announced the closure of its purchase option on the lithium brine mining concession considered in the original LOI. At the time of this report, the agreement was subject to approval by the TSX Venture Exchange.

Geology and Mineralization

The Terra Cotta Project is located in the Salar de Pocitos, which lies within Argentina's lithium-rich Puna region. The Argentine Puna (also known as "La Puna") is the southern extension of the discrete and much larger Altiplano plateau of southern Peru, Bolivia and northern Chile.

The Salar de Pocitos is a tectonic depression, delineated to the north by stratovolcanoes with andesitic composition. To the east, the salar is bordered by extensive alluvial fans and alluvial deposits that compose the western flank of the volcanic complex of the Quevar, Mamaturi and Azufrero volcanoes. To the west, the salar is bordered by granitic intrusions. The southern and southeastern edges of the Salar de Pocitos are composed of Ordovician sediments, which are unconformably overlain by Miocene sediments.

The Salar de Pocitos, like several other salars in the region of La Puna, is an endorheic basin. Two features are well defined in the basin. The first one corresponds to a saline crust mostly composed of sodium chloride, which is in the central portion of the basin. The second feature is the presence of deposits of fine-grained materials around the edge of the saline crust that correspond to beach deposits bordering the former lake. The surface of the salar is composed primarily of silts and clays, with a saline coating (known as "efflorescence"). It is common to observe small gypsum crystals scattered along the surface of the salar and in some areas, forming a crust of evaporitic minerals and small accumulations of crystals that outcrop in the silt-clay sediments.

Clastic sediment deposits occur over the basin fill sediments and form coalescing alluvial fans. The alluvial fans essentially divide the basin into two zones with similar surface features.

The project area is in the current surface portion of the salar. Reddish-brown silts and clays occur at the surface of the project area, with abundant small crystals of gypsum scattered almost to the border of the salar. To the north of the project area, and near the edge of the salar, surficial green-gray clays were observed, and it is believed that the clays are associated with shallow groundwater and reductive environment.

The conceptual geologic model for the Salar de Pocitos mineral deposits is similar to other known deposits located in similar continental basins identified in Bolivia, Chile and Argentina. The mineral deposit type is related to brine hosted in aquifers associated with a closed, endorheic basin, located in zones where evaporation rates exceed precipitation. This results in the precipitation of diverse types of salts on the surface of the salars and their beaches. Lithium, as well as other elements of economic interest, occurs as dissolved elements in the brine. The occurrence of underground brine close to the ground surface of the project area was confirmed during the site visit.

Exploration Status

The project is in an initial exploration stage. No previous exploration activities have been completed by the current owners of the property or by Pure Energy.

Historical exploration works reported in the immediate area are limited to a near surface brine sampling campaign and a geophysical survey completed by the company Li3 Energy, Inc. ("Li3") in 2010 and 2012, respectively. Available information was limited to the press releases published by the company, and data were not verified by the author of this report.

Although no drilling campaigns have been reported, the author identified a borehole near the northern edge of the Terra Cotta project, outside the mining claims currently under control of Pure Energy. Neither the type of drilling method employed to create the hole, nor the total depth could be determined. The borehole is cased with PVC, capped and locked.

A geophysical study using vertical electrical soundings was completed as part of a publicly available environmental impact study for the area. While this study only covered the northern portion of the claims in question, it indicated the potential location of brines and salts beneath the northern edge of the properties. The study also indicated the interface of fresh water and brine.

During the site visit, seven trenches or test pits were excavated in the claimed area. The seven trenches encountered brine at shallow depths below ground surface. Only five of the seven trenches were sampled, due to complications of weather conditions (rain) that prohibited safe access in parts of the salar. The five brine samples were collected on two different days with the second day's samples being collected after rain fell in the area. The differences observed in the density measurements suggest a potential problem of dilution of the brine with fresh water, which may affect the assay results.

The assay results from the five sampled trenches could be considered as geochemically anomalous for lithium and potassium, but do not confirm the results reported in 2010; the results showed significantly lower values for the elements of interest. The adverse weather conditions during the sampling days may have affected the concentrations of dissolved solids in the brine samples.

Development and Operations

There are no significant developments or operations in the area.

Mineral Resource Estimate

At this time, there has been no attempt to produce a resource estimate for the Terra Cotta Project.

Mineral Reserve Estimate

At this time, there has been no attempt to produce a reserve estimate for the Terra Cotta Project.

Conclusions and Recommendations

- The Terra Cotta Project is in Argentina's lithium-rich Puna region. The geology of the Salar de Pocitos, where the project is located, shows similar geological and hydrogeological features as other advanced lithium projects in the area.
- Preliminary historic data from near-surface brine samples collected in the area reported anomalous lithium values above 300 ppm and potassium concentrations above 7,000 ppm. The presence of near-surface brine at the Terra Cotta Project was confirmed by the author during the site visit.
- The location of the project offers several infrastructure advantages. The area has adequate routes to the Chilean border and the rest of Argentina, as well as a functional railroad station nearby. There is a gas pipeline that borders the eastern margin of the salar. An electric power line is located relatively close to the project area.
- Based on the geographic location of the project, the geological and hydrogeological features observed on the property, and the positive infrastructure features, the Terra Cotta Project is considered a "Project of Merit" that warrants further exploration and evaluation activities. An intensive near-surface brine sampling program, geophysical studies and a preliminary drilling campaign are recommended to confirm the presence of brine with lithium and potassium concentrations sufficient for economic interest, and to evaluate the physical parameters of the aquifer. A tentative activity schedule and budget are summarized in the tables below.

Recommended activity schedule

Activity	Month																							
	1				2				3				4				5				6			
Near-Surface Brine Sampling																								
Near-Surface Brine Sample Assays																								
Geophysical Surveys (VES)																								
Geophysical Surveys (Gravimetry)																								
Environmental Impact Report																								
Improvement of Access Roads																								
Drilling (3 RC holes)																								
Drilling (2 DDH holes)																								
Core Sample Tests (RBRC)																								
Brine Sample Assays (Drilling)																								

Cost estimate for next phase of exploration and development

Activity	Number/Unit		Unit Costs	Total
Near-Surface Brine Sampling	1	Lump Sum	$ 35,000.00	$ 35,000
Near-Surface Brine Sample Assays	100	Sample	$ 200.00	$ 20,000
Geophysical Surveys (VES)	1	Lump Sum	$ 66,000.00	$ 66,000
Geophysical Surveys (Gravimetry)	1	Lump Sum	$ 25,000.00	$ 60,000
Environmental Impact Report	1	Lump Sum	$ 5,000.00	$ 5,000
Preparation of Reference Materials	1	Lump Sum	$ 35,000.00	$ 35,000
Improvement of Access Roads	1	Lump Sum	$ 20,000.00	$ 45,000
Drilling (3, RC holes)	750	meter	$ 200.00	$ 150,000
Drilling (2, DDH holes)	500	meter	$ 250.00	$ 125,000
Core Samples Tests (RBRC)	80	Sample	$ 215.00	$ 17,200
Brine Sample Assays (Drilling)	85	Sample	$ 150.00	$ 12,750
Integration of Database	1	Lump Sum	$ 20,000.00	$ 20,000
Exploration Manager	6	Month	$ 7,500.00	$ 45,000
TOTAL				**$ 635,950**

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1 Introduction (Item 2)

This Technical Report for the Terra Cotta Project ("the Project") was prepared at the request of the management of Pure Energy Minerals Limited ("Pure Energy", or "the Company"), which is listed on the TSX Venture Exchange in Toronto, Canada (PE.V) and OTCQB Markets in the USA (PEMIF). This Technical Report is written in accordance with the guidelines of the Canadian Securities Administrator's National Instrument ("NI") NI 43-101 Standards of Disclosure for Mineral Projects and Form 43-101F, per the TSX Venture Exchange's Policies and Regulations, and has been written by the "qualified persons" ("QPs") identified in Section 1.2 of this report.

Pure Energy's home office is at 1111 West Georgia Street, Suite 1400, Vancouver, BC, V6E 3M3, Canada. The subject of this Technical Report is the Terra Cotta lithium project located in northwestern Argentina, located 159 km east of the city of Salta, and flanked by provincial route no. 17.

1.1 Terms of Reference and Purpose of the Report

Pure Energy signed a Letter of Intent on January 5, 2017, to acquire a 100% interest in 13,000 hectares (32,000 acres) of prospective lithium brine exploitation concessions in the Salar de Pocitos near Salta, Argentina. The mining concessions are in Argentina's Puna Region. Significant deposits of lithium in brine occur approximately 32 km (20 mi.) north at Salar de Rincon and approximately 90 km (56 mi.) south at Salar del Hombre Muerto.

This report was requested by Pure Energy to provide a NI 43-101 Technical Report on the background of the Terra Cotta Project and obtain an independent technical opinion related to the mineral potential of the project. It is also the aim of this report to compile existing technical and scientific information relevant to the project that justifies a subsequent, more comprehensive exploration effort on the property.

1.2 Qualifications of Consultants

The author of this report is Rodrigo Calles-Montijo, who is a qualified person per the definitions of the NI 43-101 Standards of Disclosure. Mr. Calles-Montijo holds a Master of Science in economic geology, and is a Certified Professional Geologist ("CPG") by the American Institute of Professional Geologists. Mr. Calles-Montijo has 29 years of experience in exploration and evaluation of metallic and non-metallic deposits, including the exploration and evaluation of several lithium deposits in Argentina, Bolivia and Mexico. Based on his experience, Mr. Calles-Montijo is of the opinion that the Terra Cotta Project has the geological and hydrogeological features to be considered as a "Project of Merit" for further exploration and evaluation efforts.

This report was reviewed by Dawn H. Garcia, who is a QP per the definitions of the NI 43-101 Standards of Disclosure. Ms. Garcia was also responsible for the section on "Environmental, Permitting, and Social or Community Impact" and discussions on the

hydrogeologic setting. Ms. Garcia holds a Master of Science in geology, with emphasis in Hydrogeology, and is a CPG by the American Institute of Professionals Geologists, a licensed Professional Geologist in the states of Arizona, California and Alaska, and is a registered member of the Society for Mining, Metallurgy & Exploration. Ms. Garcia has 32 years of experience as an environmental geologist and hydrogeologist, and has worked on projects in the mining industry in the United States, Canada and Latin America.

Details of Inspection

Mr. Calles-Montijo visited the Terra Cotta property for three days on January 15, 17 and 18, 2017. Mr. Calles-Montijo was accompanied by geologist Patrick Highsmith, who is CEO – Director of Pure Energy, and a representative of the owners of the concessions. During the site visit, a general surface reconnaissance was completed of the property and seven excavations were dug to collect samples of the near-surface brine. Samples were shipped to the Alex Stewart laboratory, which is a laboratory certified for lithium and potassium analysis by the Organismo Argentino de Acreditación (Argentinian Accreditation Organization). The laboratory is in Mendoza, Argentina. During visits to Salta, key personnel at the legal firm Estudio Perez-Alsina & Freeze-Durand were interviewed and a representative of the local hydrological firm Conhidro was interviewed.

1.3 Reliance on Other Experts (Item 3)

The author of this report relied on Mr. Agustin Frezze Durand, a lawyer with the legal office of Estudio Perez-Alsina & Freeze-Durand, to provide advice regarding the legal status of the property's mining claims.

The author also relied on Dr. Rodolfo Fernando Garcia Maurizzio, who holds a PhD in geology and specializes in hydrogeology. Dr. Garcia Maurizzio has experience preparing the environmental impact assessments for the project and provided technical information included in this report. Dr. Garcia Maurizzio has also participated in the exploration and evaluation of several other lithium projects in northwestern Argentina.

Sources of Information and Extent of Reliance

The legal information related to the property was provided by the legal firm Estudio Perez-Alsina & Freeze-Durand of the city of Salta at the request of Pure Energy Minerals Limited. Legal information on the Pocitos Mining Project (now referred to as Terra Cotta Project) is included in the discussion on mining rights.

Most of the technical information was extracted from the publicly available environmental baseline study prepared for the irrigation project for dust mitigation and improvement of the provincial route no. 17, section Salar de Pocitos. The study was prepared by Conhidro S.R.L. and an interdisciplinary group of consultants on behalf of Mineral del Altiplano S.A. (Garcia, R.F., *et al*., 2006).

Historical data for information generated in 2010, for a non-Canadian reporting issuer is including in this report (Li3 Energy, Inc., 2010a, 2010b and 2010c). Pure Energy is not treating the historical sample results as its own, but the results are summarized here to provide historical context for some of the previous lithium exploration work conducted at Salar de Pocitos.

General technical information of the area was obtained from available public sources or publications. References are listed in Section 25.

1.4 Effective Date

The effective date of this report is August 1st, 2017.

1.5 Units of Measure

All coordinates provided in this report are related to datum coordinate system POSGAR 94 Zone 3, which is the official geographic system in Argentina established by the Instituto Geográfico Militar (Military Geographic Institute). All measurements are in metric units. All currency is in US dollars (US$) unless otherwise stated.

2 Property Description and Location (Item 4)

2.1 Property Description and Location

The Salar de Pocitos is in the Los Andes Department of Salta Province in northwestern Argentina. The center of the project area is located 159 km to the west of the city of Salta, which is the major city nearest to the project and the capital of the province. The area is bordered by the provincial route no. 17, which is the main access to the project area (Figure 1). The coordinates at the center of the property are 3,398,603 E and 7,281,438 N.

Figure 1: Location map

Source: IMEx, 2017.

The Salar de Pocitos is an elongated north-south oriented, topographic depression. The basin is approximately 50 km long in a north-south direction, and ranges between 2 km and 10 km wide. At the northern extreme the margin of the salar is covered by the large alluvial fan formed by the Rio Incahuasi, and it is assumed that the salar extends below this young clastic sequence. The basin has a closed drainage with no outflow, which is known as an "endorheic" basin. A "salar" is a salt flat.

The salar has been divided in two sections due to the progressive advance of recent alluvial fans. The Terra Cotta Project is in the southern portion of the salar (Figure 1).

2.2 Mineral Titles

According to Argentinian law, mineral resources belong to the provinces where the resource is located. Each province has the authority to grant mining claims to private applicants. Argentinian law provides for the granting of two types of mining claims: exploration permits that are limited in duration and which allow for the exploration of a mineral property; and mining permits that allow for the exploitation of the minerals in the subject property. Mining permits are unlimited in duration and remain the holder's property as long as the holder meets its obligations under the Argentinian National Mining Code, including biannual payments and minimum investment commitments.

All claims are granted by the regulating province either by a judicial or administrative decision. In the case of Salta Province, a judicial decision by the Mining Court is made to grant mining claims. Each property is recorded by number in the Mining Court registry and each property has a judicial file designation. In addition, the Mining Secretary records the property in the land register office and adds the property location to a digital map of the area.

The Terra Cotta Project consists of 10 mining exploitation claims located in the Salar de Pocitos, in the municipality of San Antonio de Los Cobres, Los Andes Department, Salta Province. The distribution of the mining claims is shown in Figure 2. All the claims are currently in the status of exploitation claim, or "mines". This type of claim includes all the exploration work in the total area of 13,075 ha included in the 10 mining claims, as shown in Table 1.

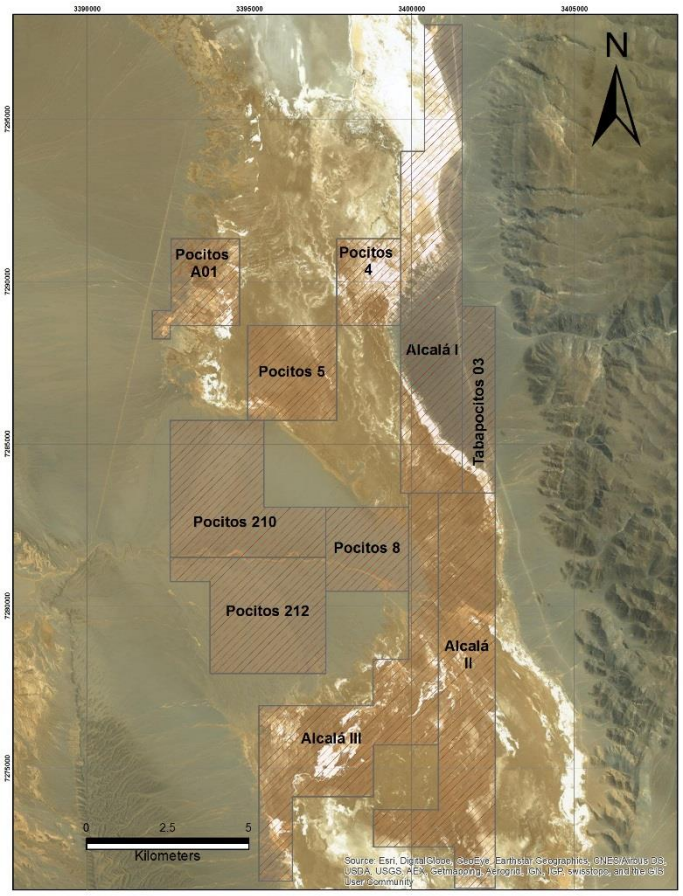
Table 1: Mining claims at Terra Cotta Project

Property Name	File Number	Claim Type	Surface Area (ha)	Mineral	Holder
Alcalá I	19,389	Mine	2,454	Borates-Lithium Potash	Solaris S.R.L. - Minera Cerro Juncal S.A.
Alcalá II	19,390	Mine	2,295	Borates-Lithium-Potash	Solaris S.R.L. - Minera Cerro Juncal S.A.
Alcalá III	19,392	Mine	2,254	Borates-Lithium-Potash	Solaris S.R.L. - Minera Cerro Juncal S.A.
Pocitos 4	19,460	Mine	529	Salt-Lithium	Solaris S.R.L. - Minera Cerro Juncal S.A.
Pocitos 5	19,461	Mine	800	Salt-Lithium	Solaris S.R.L. - Minera Cerro Juncal S.A.
Pocitos 8	19,464	Mine	660	Salt-Lithium	Solaris S.R.L. - Minera Cerro Juncal S.A.
Tabapocitos 03	20,019	Mine	584	Borates-Lithium-Potash-Salt	Solaris S.R.L. - Minera Cerro Juncal S.A.
Pocitos 210	20,176	Mine	1,509	Salt-Lithium	Minera Cerro Juncal S.A.
Pocitos 212	20,178	Mine	1,375	Salt-Lithium	Minera Cerro Juncal S.A.
Pocitos A01	20,716	Mine	615	Lithium-Potash	Solaris S.R.L. - Minera Cerro Juncal S.A.

Source: Perez-Alsina & Frezze-Durand, 2016.

The mining claims are shown in Figure 2.

Figure 2: Location map for the Terra Cotta Project mining claims



Source: IMEx 2017.

The legal term "vacant mines" occurs when a mining concession is revoked by the authorities and the property returns to state control, at which point, any third party can apply for the concession. The mining claims Mina Alcala I, Mina Alcala II, Mina Alcala III, Mina Pocitos 04, Mina Pocitos 05, Mina Pocitos 08 and Mina Tabapocitos 03 were requested as "vacant mine" claims by Solaris, S.R.L and Juncal S.A on July 5, 2016. Mining claims Mina Pocitos 210 and Mina Pocitos 212 were requested as "vacant mine" claims by Juncal S.A. on July 6, 2016. An Environmental Impact Report ("EIR") was submitted for all ten claims, and was approved by the Mining Secretary on May 24th, 2017, (Resolution N° 200). The claims were officially granted by the mining authorities to the companies Solaris, S.R.L. and/or Cerro Juncal, S.A. on July 31, 2017. The mining rights for the properties listed in table 1 were transferred to four individuals as stated in the Transfer Agreement registered by the Mining Court of the province of Salta. At the time of this report, the Transfer Agreement was registered as provisory and pending of final approval.

Mine concession Pocitos A01 (File No. 22,716) was applied for by the companies Solaris S.R.L. and Juncal S.A. as a new mine discovery on July 5, 2016. The application is in process, but had not been granted by the Mining Court, per the last review completed on December 28, 2016, by the legal firm Perez-Alsina & Frezze Durand. The corresponding EIR has been submitted and approved. The resolution for the claim by the Mining Court is pending in accordance with the legal process established for new discoveries.

Per the opinion of the legal advisor Perez-Alsina & Frezze-Durand, all of the Solaris S.R.L. and Juncal, S.A. mining rights are in good standing, and both companies have good and valid titles for all of them. There are no restrictions on surface access and the claimed properties are on public lands.

The mining claims, originally claimed by two companies (Solaris and Cerro Juncal), are currently under the control of four individuals, each of whom has equal participation in the mining, supported by a Transfer Agreement that is registered in the Mining Court and in process of final approval. At the effective date of this report, the final granting of the properties was pending of the administrative resolution of this Transfer Agreement

On January 10, 2017, Pure Energy announced the execution of a Letter of Intent ("LOI") to acquire the Pocitos Project (now referred to as Terra Cotta Project) from the owners, Solaris S.R.L and Minera Cerro Juncal, S.A. The LOI established that Pure Energy will acquire 100% of the mining claims listed in Table 1, under the material terms and conditions described in section 2.3, below. On March 9, 2017, Pure Energy announced the execution of a definitive property purchase agreement on the lithium brine mining concessions considered in the original LOI. At the time of this report, the agreement was subject to approval by the TSX Venture Exchange.

2.3 Royalties, Agreements and Encumbrances

Based on the research completed by the legal firm Perez-Alsina & Frezze-Durand, the mining claims that comprise the Terra Cotta Project are in good standing for the payment of legal obligations and taxes. The LOI listed the acquisition of the mining claims of the properties in Table 1.

The purchase option stated in the LOI included a two-year calendar of payments (Table 2) required to be fully executed by Pure Energy for the 100% acquisition of legal and beneficial interests in the Pocitos (now referred to as Terra Cotta) Project, without prejudice of certain usufruct rights retained by the current owners. The total purchase price over the two-year option period is US $4,000,000 and six million common shares of Pure Energy (as they are presently constituted). Title transfer of the properties would be executed upon the final payment listed in Table 2.

Table 2: Summary of payments according to the LOI announced January 10, 2017

Transfer of Mining Right – Payment Calendar			
Cash (US $)	**Common Shares**	**Due Date/Event**	**Status**
$ 25,000	0	5 days after receipt of title opinion	Paid
$ 175,000	0	5 days after Closing Date[1] (31/01/2017)	Paid
$ 200,000	600,000	5 days after approval from TSXV[2]	Pending
$ 600,000	900,000	180 days after Closing Date	Pending
$ 1,000,000	1,500,000	On or before the 1st anniversary of Closing Date	Pending
$ 2,000,000	3,000,000	On or before the 2st anniversary of Closing	Pending
$ 4,000,000	**6,000,000**		

1) Closing Date: Date of Execution of the agreement
2) Pure Energy receives the TSXV approval to the agreement and filing of the NI 43-101 Technical Report

Source: Pure Energy, 2017.

Usufructs

The LOI agreement states that Pure Energy shall grant the existing property owners, free of charge, the usufruct rights over the surface use of the properties for a minimum of 20 years for the exploitation and commercialization of borates (and related minerals) and/or for use in renewable energy generation, that are located at the surface or near surface of the area controlled by the mineral concessions included in the agreement.

Bonus

Pure Energy will make a payment of US $1,000,000 in cash to the owners within 30 days of any of the following events as determined by Pure Energy:

a) To proceed with a feasibility study with respect to the properties; or

b) To commence commercial production at the properties.

Pure Energy agreed that from the date the parties executed the definitive agreement and for the balance of the option period, Pure Energy will be responsible for maintaining in good standing the Argentinian mining obligations and concession maintenance charges, including the payment of all mandatory taxes according with the Argentinian mining regulations.

2.4 Environmental Liabilities and Permitting

Environmental Liabilities

No significant environmental liabilities were observed by the author during the site visit.

Required Permits and Status

The permit to mine is granted as part of the mining license but environmental approval is required by the office of the Mining Secretary for the Province of Salta. This authorization is obtained by filing an Environmental Impact Report. The contents of these reports will vary according to the type and stage of activity being carried out on the property. The information requested is submitted administratively as an extraction permit, covering quarries, water and brine. The areas to be addressed, as requested by the Mining Secretary are as follows:

- The nature of the contractual agreement between the company applying and the owner;
- The drilling schedule;
- Submission of the form “Solicitud de Cantera” (request for a quarry);
- Submission of a form stating that the company is debt free; and
- Statement of the company’s legal address in Salta.

An Environmental Impact Report (Terra Andina, 2016) to carry out limited site reconnaissance and sampling activities (without drilling) was submitted to the Mining Secretary in Salta on September 2, 2016 (Argañaras, written communications, 2016), and approved on May 24, 2017 as established in Resolution 200 issued by the Mining Secretary of the Province of Salta. The approval of this report is essential for the official concession of the mining claims from the current owners to Pure Energy, as well as for the development of basic exploration work in the area covered by the mining concession, such as near-surface brine sampling and geophysics.

For an advanced exploration effort, a more complete and multidisciplinary EIR will need to be submitted and approved. This future phase could include more extensive exploration activities, such as trenching and/or drilling.

2.5 Other Significant Factors and Risks

As of the date of this report, the author of this Technical Report has not identified other significant factors of risk pertaining to the project.

At the effective date of this report, nine out of ten of the mining claims were officially granted by the mining court to the original applicant companies (Solaris, S.R.L. and/or Cerro Juncal, S.A.), and still pending the final resolution of the transfer of the properties rights from the companies to the individuals listed in the purchase agreement. According to the opinion of the legal advisor of the company (Perez-Alsina & Frezze-Durand), the Transfer Agreement is in an administrative process and all the mining properties rights are warranted. The non-official granting of the properties may represent delays in the application and approval of permits required for the exploration activities.

3 Accessibility, Climate, Local Resources, Infrastructure and Physiography (Item 5)

3.1 Topography and Elevation

The Terra Cotta project is located in the topographic depression that constitutes the Salar de Pocitos. The salar is a closed drainage (endorheic) basin, roughly oriented in a north-south direction. The length of the surface of the salar is approximately 55 km and the width varies between 2.5 and 8.5 km. The surface of the salar is flat, with an average elevation of approximately 3,700 meters above sea level ("masl") (Photo 1).

Photo 1: General view of the morphology in the project area

Source: IMEx, 2017.

The surface of the salar is bordered by mountains composed of metamorphic and volcanic rocks, such as the Sierra Quebrada Onda, with elevations up to 4,800 masl, as well as a series of volcanic cones, located in the extreme northern part of the salar, such as the Nevado Queba, which is reported to have an elevation of 6,140 masl and the Pocitos Volcano, just north of the salar, with an elevation above 4,900 masl. The difference in elevation between the surface of the salar and the surrounding mountains produces an extensive drainage system, represented by the presence of wide alluvial fans which, in some sectors, cover and restrict the development of the salar surface.

The project area is in the Puna de Atacama, which is an arid high plateau of the Andes Mountains. The region extends along northwestern Argentina. The region is characterized by high elevated mountains and plateaus with elevations of between 3,400 and 4,500 masl.

The climatic conditions of the Argentinean Puna can be differentiated into two zones. The more humid zone is located to the east, which was designated as "Dry Puna" or "Spiny

Puna" as defined by Troll (1959). Dry Puna contains lakes and permanent rivers, and more or less continuous vegetation. The other zone, located in the southeast of the region, is designated as "Desert Puna" with large salars separated by deserts. Desert Puna contains sparse vegetation. The project area is in the "Desert Puna".

3.2 Climate and Length of Operating Season

The authors have included detailed information in this report about the regional climate due to importance of evaporation in mineral processing of brine deposits.

The climate in the region is extreme, generally dry, windy and with scarce rains, and can be considered a desert, with strong thermic variation during the day and night. During the winter, the temperature descends to -18°C, with sporadic snowfalls during this season. The area is characterized by strong solar radiation. Rainfall varies between 13 and 40 mm per annum and the evaporation rate is elevated.

Data available for the Pocitos weather station are limited to the period of 1950 to 1978 (Table 3). The average rain during this period was 38.2 mm per year; during the years of 1951, 1952, 1956, 1966 and 1970, no rain precipitation was recorded.

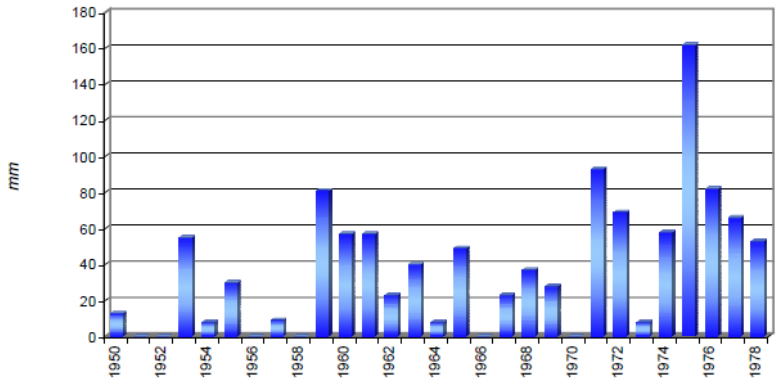
Table 3: Statistical record of rainfall from the weather station in Pocitos, period 1950-1978

Años	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dic	Precipitación Anual
1950	0	0	0	0	0	0	0	0	0	0	0	13	13.0
1951	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1952	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1953	0	55	0	0	0	0	0	0	0	0	0	0	55.0
1954	4	4	0	0	0	0	0	0	0	0	0	0	8.0
1955	0	18	12	0	0	0	0	0	0	0	0	0	30.0
1956	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1957	9	0	0	0	0	0	0	0	0	0	0	0	9.0
1958	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1959	0	35	4	0	0	0	0	0	0	0	0	42	81.0
1960	57	0	0	0	0	0	0	0	0	0	0	0	57.0
1961	44	3	0	0	0	0	0	0	0	0	0	10	57.0
1962	0	23	0	0	0	0	0	0	0	0	0	0	23.0
1963	2	23	15	0	0	0	0	0	0	0	0	0	40.0
1964	5	3	0	0	0	0	0	0	0	0	0	0	8.0
1965	49	0	0	0	0	0	0	0	0	0	0	0	49.0
1966	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1967	10	13	0	0	0	0	0	0	0	0	0	0	23.0
1968	15	22	0	0	0	0	0	0	0	0	0	0	37.0
1969	10	18	0	0	0	0	0	0	0	0	0	0	28.0
1970	0	0	0	0	0	0	0	0	0	0	0	0	0.0
1971	30	63	0	0	0	0	0	0	0	0	0	0	93.0
1972	64	5	0	0	0	0	0	0	0	0	0	0	69.0
1973	3	0	5	0	0	0	0	0	0	0	0	0	8.0
1974	40	18	0	0	0	0	0	0	0	0	0	0	58.0
1975	109	46	0	0	0	0	0	0	0	0	0	7	162.0
1976	82	0	0	0	0	0	0	0	0	0	0	0	82.0
1977	26	18	22	0	0	0	0	0	0	0	0	0	66.0
1978	10	0	0	0	0	0	0	0	0	43	0	0	53.0
Media	19.6	12.7	2.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0	2.5	38.2

Source: Garcia, R.F., *et al.*, 2006. All values reported in millimeters (mm).

The greatest annual rainfall during the period of record was registered in 1975, with 162 mm measured that year (Figure 3). Based on these records, the maximum period of rain is during the months of December to March, which account for 96% of the annual rainfall.

Figure 3: Rain precipitation by years, Pocitos weather station (period 1950-1978)



Source: Garcia, R.F., et al., 2006.

The predominant winds in the region are from the west-northeast to west-southeast (Vilela, 1969). The winds are extremely dry and with temperatures oscillating between 5°C and 20°C. The wind velocities are between 7 and 80 km/h, generally occurring in the early afternoon.

Due the increase in the development of lithium projects in the area, several weather stations have been installed near the Terra Cotta Project. Some of data collected by these weather stations are not available publicly.

In the Salar of Pastos Grandes, located 29 km to the northeast of the project area, the company Eramine Sudamerica, S.A, installed a weather station in 2012 (Rojas y Asociados, 2016). Information collected from this weather station in 2012 and 2013 is summarized below:

- **Temperature**: The average annual temperature was 6.3°C. The warmest months were from December through February, with average monthly temperatures of 13.6°C, 11.2°C and 12.9°C, respectively. The coldest month was July, with an average monthly temperature of 0.2°C (July 2013). The maximum and minimum mean annual temperatures were 13.6°C (December 2012) and 0.2°C (July 2013), respectively. The absolute minimum temperature in January (2013) was -1.2°C and -14.2°C in July (2013). The absolute maximum temperatures were 26.2°C (December 2012) while in July the maximum temperature reported was 14.2°C and 12.9°C in June 2013.
- **Wind:** The annual average wind speed recorded in the Pastos Grandes Salar was 13.8 km/h and the maximum annual rate was recorded in August at 75.6 km/h.

- **Atmospheric Pressure:** In Pastos Grandes Salar the annual atmospheric pressure was 963.8 bar. The minimum atmospheric pressure was registered in December at 944.2 bar and the maximum atmospheric pressure was registered in August at 983 bar.
- **Humidity:** The average annual humidity recorded in the Salar de Pastos Grandes was 23.2%. The minimum humidity was recorded in the months of August and September at 3% and the maximum humidity was recorded in February at 64%.

In the Salar del Hombre Muerto, located 72 km southwest of the Terra Cotta Project, the company Lithium One (now Galaxy Resources), installed two weather stations in 2010. Climate data for more than a year are available from the NI 43-101 report (Montgomery and Associates, 2012) and summarized herein:

- **Wind:** The monthly wind velocities from January 2011 to January 2012 ranged between 10.0 km/h (March) and 19.0 km/h (August). The period with highest speed winds was from June to October.
- **Precipitation:** The rainy season was from December to March, with monthly accumulation ranging from 8.4 mm (March) up to 88.5 mm (February).
- **Temperatures:** The mean daily temperatures from the period of June 2010 to December 2011 ranged from -3.8°C (July) and 18.2°C (December).

Another weather station is in the southern portion of Salar del Hombre Muerto, installed at the El Fenix Camp operated by FMC. Weather data from this weather station are public from the period of 1992 to 2001 (Conhidro, 2001). The weather station is approximately 80 km to the south of the Terra Cotta Project. Available data are summarized below:

- **Wind**: Strong winds are frequent in the Puna, reaching speeds of up to 80 km/hr during the dry season. The average mean velocities varied between 8.2 km/h (March) and 12.9 km/h (September). While the winds vary from place to place, the average wind speed in any given month ranges from 5 km/h up to 22 km/h, reaching the maximum speeds in summer (Montgomery and Associates, 2012).
- **Precipitation**: The mean annual precipitation registered at the weather station at the El Fenix camp is 77.4 mm. The main rainy season comprises the period from December to March, when 82% of the annual rainfall occurs. The period between April and November is typically dry.
- **Temperatures**: Temperatures are extreme, with the warmest months between January and February, with an average of 11.6°C and 10.9°C, respectively. The coolest month is July, with an average temperature of -1.6°C. The maximum daily temperature fluctuations were recorded at Tincalayu Mine (north of El Fenix Camp) during 1995/97 in January and July, when the highest daily temperatures were 26

°C in January and 12°C in July, and the corresponding minimum temperatures for the same months were -10°C and -26°C.

The annual evaporation in the Salar del Hombre Muerto is 2,710 mm, calculated from the period 1992-2001 at El Fenix Camp (FMC) weather station (Montgomery and Associates, 2012).

Despite the extreme weather conditions in the zone of La Puna, it is possible to operate most of the year, with potential interruptions for short periods due to occasional inundation in the salar surface during the summer months, or sporadic snowfalls that produce sufficient accumulation that may cause the access roads to be closed.

3.3 Sufficiency of Surface Rights

The Terra Cotta Project includes 10 mining claims with a total surface area of 13,075 ha. Most of the claimed area that covers the surface of the salar has the potential to contain lithium-bearing brines. The claims also include some zones currently covered by recent fluvial sediments in form of alluvial fans that would provide areas for infrastructure. In the opinion of the author of this report, these conditions could be considered sufficient for the location of a significant deposit of lithium-bearing brine and for the installation of evaporation ponds, plant and facilities required for the extraction and production of lithium carbonate ("Li_2CO_3") and its potential chemical derivatives.

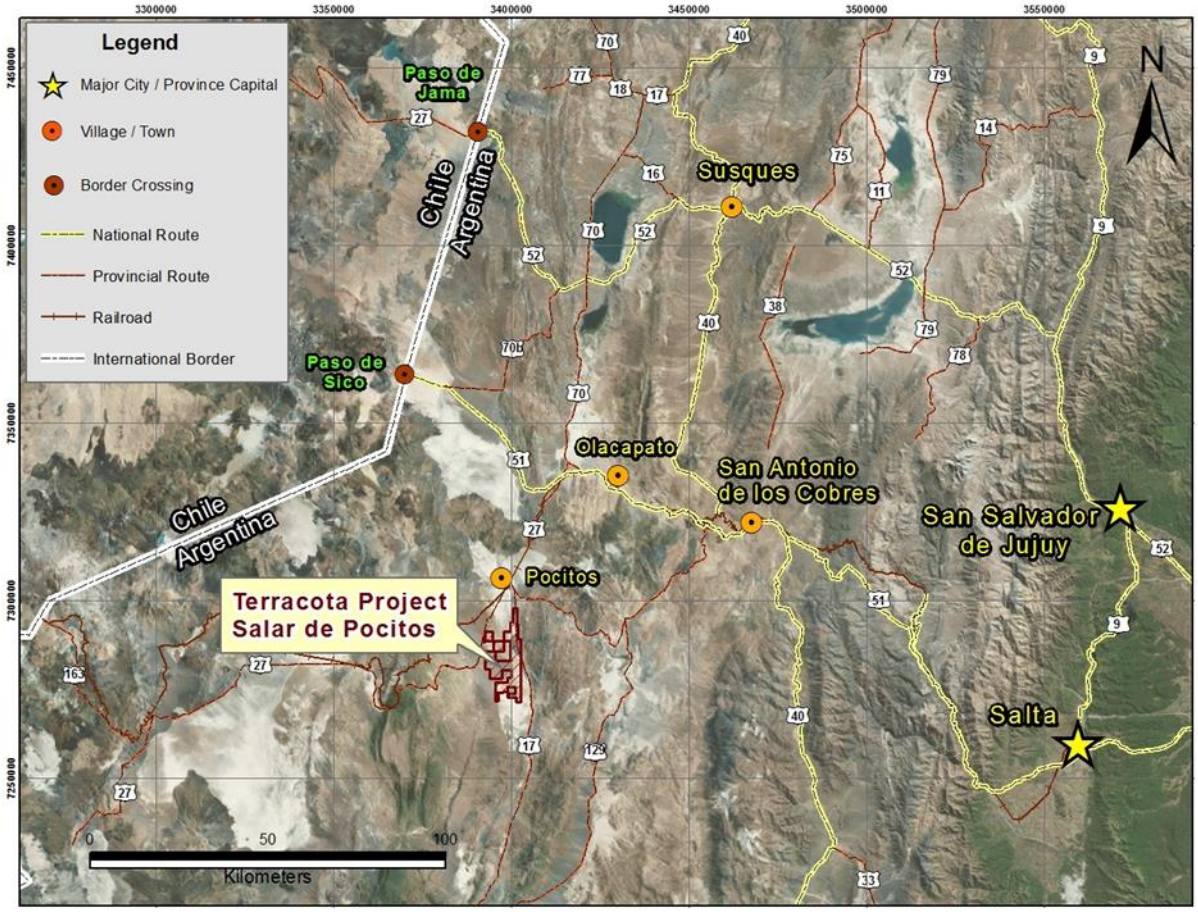
The surface area currently under negotiation by Pure Energy is not continuous in its coverage, due to some gaps between properties that belong to third parties. This situation could be considered as a potential issue for future brine extraction.

3.4 Accessibility and Transportation to the Property

Access to the property is very convenient, as it is on the eastern portion of the salar that is bordered by the provincial route no. 17 (unpaved), which continues south to the Province of Catamarca. The access into the salar is usually along unimproved truck trails, which may be unpassable during the rainy season, due to flooding or muddy conditions.

In general, the greater area has excellent access conditions. The provincial route no. 17 merges with the provincial route no. 27 within 35 km of the project area (Figure 4).

Figure 4: Project access



Source: IMEx, 2017.

After 40 km, the provincial route no. 27 merges with the national route 51, which continues northwest to the country border with Chile (Paso de Sico), located 63 km from the intersection with the provincial route no. 27. To the south of the intersection, the route continues to San Antonio de Los Cobres (65 km), the largest village with basic services in this region of La Puna. Travel from the village of San Antonio de Los Cobres to the city of Salta (also known as “Salta Capital”) is about 2.5 hours driving time via a partially paved route (171 km).

There are train facilities located at the Pocitos train station, located between 25 and 35 km from of the area of the Project. These rail facilities were recently re-activated after being out of service for several years, and are currently being used by FMC for the transportation of their lithium products to the Chilean border.

3.5 Infrastructure Availability and Sources

Infrastructure in most of the region is limited. The area has an adequate road network, with convenient transport access to large cities inside of Argentina, such as Salta and Jujuy, and transportation by highway and train to the border and ports in Chile.

A gas pipeline to supply the facilities of the El Fenix camp of FMC crosses the Salar de Pocitos along its eastern edge.

Basic services are limited in the area. Basic lodging services are available in the village of Pocitos, located at the northern edge of the salar, or in the Village of Olacapato, located 60 km from the northern portion of the project area. The nearest town with basic facilities, including telephone and internet services, is the town of San Antonio de Los Cobres, located approximately 120 km or about a 1.5-hour drive from the project area.

The local infrastructure is considered sufficient for advancement of the Terra Cotta Project.

Electric Power

There is an electrical power line located 30 km from the Terra Cotta Project. Electrical power is provided through the federal Argentinian interconnected system ("Sistema Interconectado Nacional or "SIN").

Water

Fresh water is a limited resource in the region of La Puna. Most of the drinking and industrial water is obtained from natural springs (known locally as "vegas").

The study completed by Consultora Ambiental (2002) mentioned the potential for the location of an important source of surface and underground fresh water hosted in the large alluvial fan located in the northern extreme of the Salar de Pocitos (approximately 30 km from the project area), and formed by the Incahuasi and Mamaturi Rivers. The preliminary characterization of the aquifer of the Rio Incahuasi indicates the annual recharge potential of 1,260,600 m^3, equivalent to 144 m^3/h. Historic water quality analysis for this aquifer indicated elevated concentrations of hardness, sulfates, total iron and arsenic.

Mining Personnel

The region of La Puna, northwestern Argentina, is a generally unpopulated zone. There are some small communities, with populations up to 200 inhabitants (for example, Pocitos, Olacapato, etc.), where some of the inhabitants have had experience in the mining industry, mostly for the extraction of borates and other salts from the salars, as well as experience with exploration programs conducted by several companies for the evaluation of lithium-bearing brines.

The nearest village to the project area is the town of Salar de Pocitos, where the railway is located. This small community has fewer than 200 inhabitants, with most of them providing services to FMC. Another populated zone is the town of Olacapato, with fewer than 200 inhabitants. The largest populated community is the village of San Antonio de Los Cobres, with a population of close to 5,500 inhabitants. The village is located 120 km from the project area.

4 History (Item 6)

There is very little information related to previous mining in the area. There is some information related to extraction of borate and halite at the salar surface, but there are no records of the level and characteristics of the exploitation. There have been verbal communications related to the occurrence and exploitation of sodium sulfate in the southern portion of the salar. During the site visit, no evidence of such operations was observed.

In 2010, the company Li3 Energy, Inc. ("Li3") published information related to preliminary results on their properties located in the northern portion of the Salar of Pocitos, with a surface area of 7,461 ha (Li3, 2010a, 2010b and 2010c). Based on the reported results, Li3 defined the presence of two near-surface anomalies for lithium and potassium. The results are discussed in Section 5.2 of this report. In the same year, Li3 released the results of a geophysical survey, which identified three target areas in this northern portion of the Salar de Pocitos.

There is no information publicly available related to drilling campaigns in the area. During the site visit completed by the author, a borehole, believed to have been drilled for exploration purposes, was observed in the central zone of the salar, at the northern extreme of the Terra Cotta Project. The borehole was cased, capped and locked.

4.1 Prior Ownership and Ownership Changes

Nine of ten of the claims that are the subject of the Pure Energy option agreement were originally claimed by a private company, but at the effective date of this report, there is no record available of the previous owner and the reasons for abandoning the properties. The mining concessions rights for these properties were subsequently revoked by the mining authorities in Salta and declared as available ("vacant") property. In July 2016, the companies Solaris S.R.L. and Juncal S.A. applied for concessions of those properties, according with the regulations established in the Argentinian mining law. (See chapter 2.2 for additional details.)

4.2 Previous Exploration and Development Results

There are no records of previous exploration or development mining works completed by previous owners in the area, other than those mentioned above.

4.3 Historic Mineral Resource and Reserve Estimates

There is no record of previous resource or reserve estimates in this area.

4.4 Historic Production

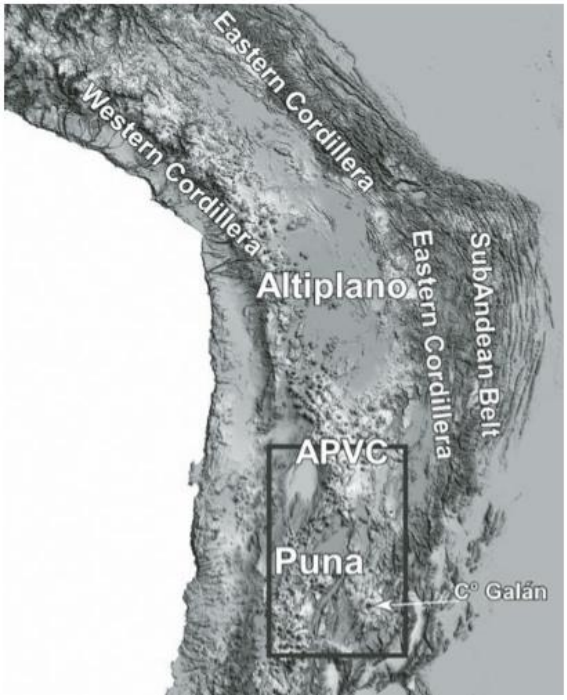
There is no record of previous production in the area.

5 Geological Setting and Mineralization (Item 7)

5.1 Regional, Local and Property Geology

The central Andean plateau is divided into the Puna and the Altiplano plateaus. The Argentine Puna (also known as “La Puna”) is the southern extension of the discrete and much larger Altiplano plateau of southern Peru, Bolivia and northern Chile. The Salar de Pocitos is located in the southern Puna. This zone corresponds to the fringe of land located between the Cordillera Oriental (northern portion) and the Sierras Pampeanas (southern extreme) to the east, and the Cordillera Principal (southern extension of the western Cordillera of Bolivia) to the west (Figure 5).

Figure 5: Tectonic provinces of the Puna and Altiplano plateaus



Source: Kay, *et al.*, 2008.

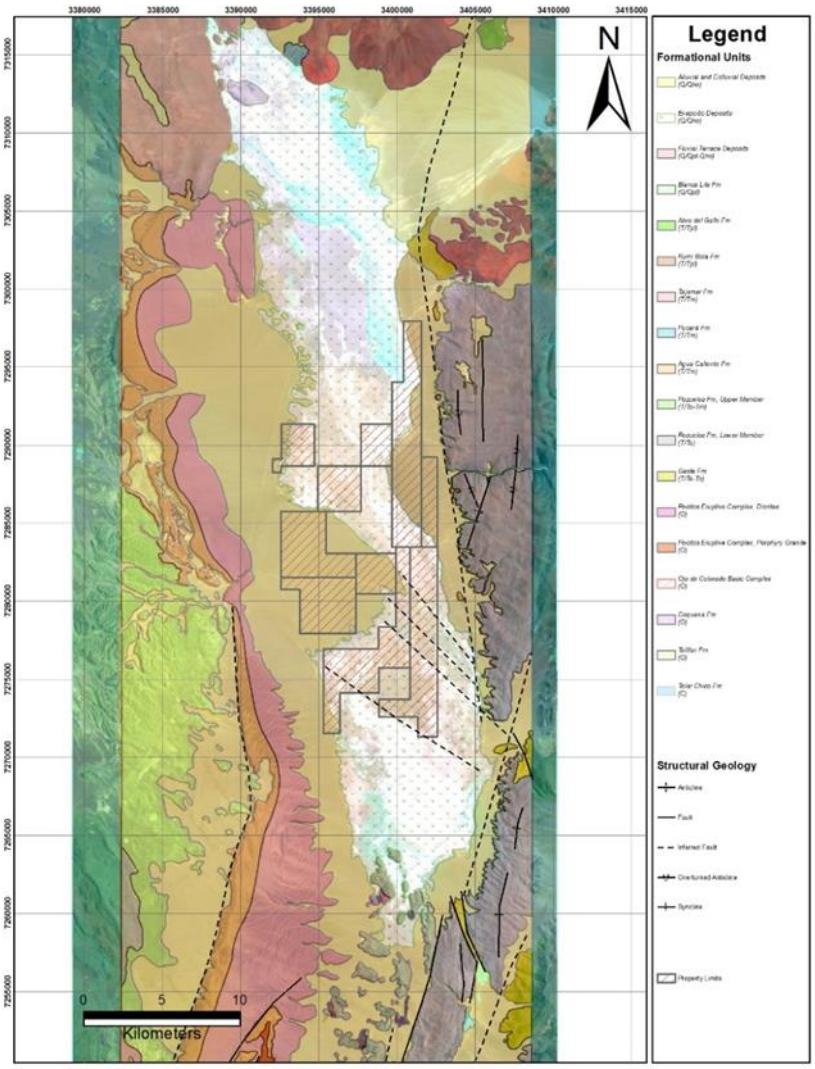
The area of La Puna is a particular geological tectonic unit, where the basic structure is composed of blocks of mountains. Fracturing is a more relevant feature than the deformation produced by folding. The fractures are mostly high angle reverse faults, dipping generally to the east. The regional geology is shown in Figure 6.

The semi-arid, high desert that is the Puna plateau is characterized by numerous basins with interior drainage. The lowest part of the basin often contains a “salar”, which is a salt-encrusted playa that formed from lakes or superficial waters that collected in a topographic low area where the water subsequently evaporated, forming a dry lake bed. The continuous upward evaporation of shallow groundwater, climatic conditions, presence of groundwater and lack of drainage results in the precipitation of minerals that occur in the

dissolved state in the near-surface water. The shallow groundwater is brackish (or saline) and has a high concentration of salts such as sodium chloride, potassium chloride, lithium chloride and boron. The precipitating minerals can create a salt crust.

The Salar de Pocitos is a tectonic depression, delineated to the north by stratovolcanoes with andesitic composition (that is, the Pocitos, Del Medio, and Tull Tull volcanoes). To the east, the salar is bordered by extensive alluvial fans and alluvial deposits that make the western flank of the volcanic complex of the Quevar, Mamaturi and Azufrero volcanoes. To the west, the salar is bordered by granitic intrusions that form the Macon Hills (Serranía Macon). The southern and southeastern extremes of the Salar de Pocitos are composed of Ordovician sediments, which are unconformably overlain by Miocene sediments of the Pastos Grandes Group (Garcia, R.F., *et al.*, 2006) along the Cordón de Pozuelos (Figure 6).

Figure 6: Regional geological map



Source: Modified from Garcia, R.F., et al., 2006, (mod. from Igarzabal).

The Salar de Pocitos, like several other salars in the region of La Puna, is an endorheic basin. Two features are well defined in the basin. The first one corresponds to a saline crust mostly composed of sodium chloride (the mineral halite), which occurs in the central portion of the basin. The second feature is the presence of deposits of fine-grained materials around the edge of the saline crust that correspond to lacustrine sediments bordering the former lake (Igarzabal, 1988). These sediments are composed primarily of silts and clays, with a saline coating (known as "efflorescence"). It is common to observe small gypsum crystals scattered along the surface of the salar and, in some areas, forming a crust of evaporitic minerals and small accumulations of crystals that outcrop in the silt-clay sediments.

Clastic sediment deposits occur over the basin fill sediments and form coalescent alluvial fans. The alluvial fans essentially divide the basin into two zones.

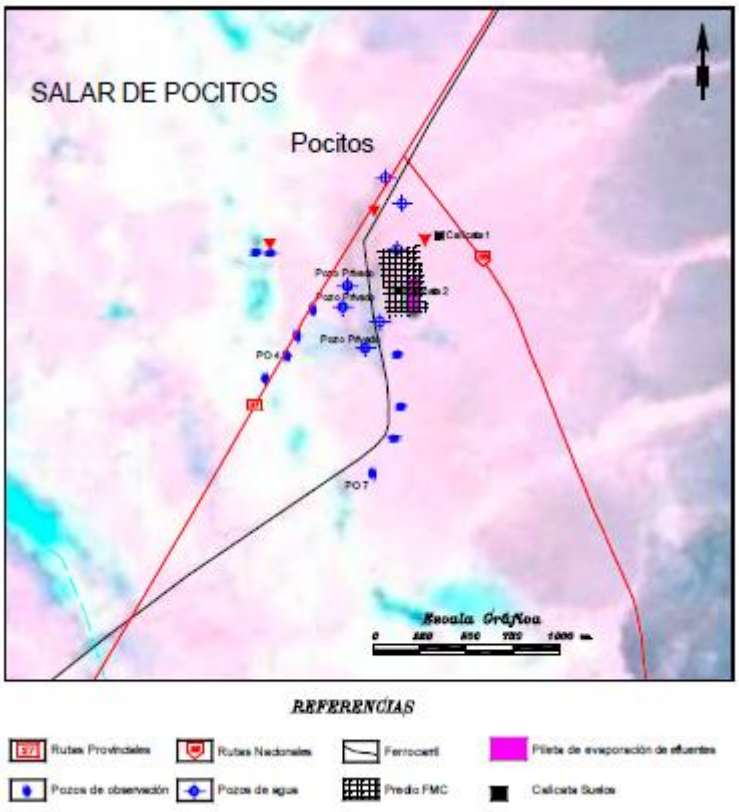
The project area is located primarily on the lacustrine sediment deposits of the salar. Reddish-brown silt and clays occur at the surface of the project area, with abundant small crystals of gypsum scattered almost to the border of the salar. To the north of the project area, and near the border of the salar, surficial green-gray clays were observed, and it is believed that the clays are associated with shallow groundwater related to reductive environment conditions. The saline core of halite was not observed in the project area during the site visit.

5.2 Hydrological Setting

A hydrogeologic study was completed for the Pocitos transfer plant associated with Minera de Altiplano S.A. (Consultora Ambiental, 2002). The study focused on the Incahuasi River aquifer at Estacion Salar de Pocitos, where the alluvial fan formed by the Incahuasi and Mamaturi Rivers occurs. The field work included the installation of three vertical electric soundings and excavation of 10 test pits (Figure 7). The study concluded that there were two hydrogeologic units (Salar de Pocitos aquifer and Incahuasi River aquifer). The recharge potential was estimated as 1,260,600 m^3/a (144 m^3/h) and the transmissivity was estimated to be 19.2 m^2/d (at well "Pueblo"). In the area of Pocitos, the groundwater levels in wells were measured at depths ranging from about 6 m to 65 m below ground surface. It should be noted that these wells include water supply wells, and the water depths would not be representative of areas outside of the radius of influence from the pumping wells.

The saturated thickness of the aquifer was estimated at 60 m. The groundwater quality was characterized as having high concentrations of total iron, arsenic (one sample from the well "Pueblo"), hardness and sulfates. The water became more saline away from the influence of the fresh water recharge from the alluvial fan.

Figure 7: Locations of vertical electrical soundings, test pits and wells in the alluvial fan of the Rivers Incahuasi and Mamaturi



Source: Consultora Ambiental, 2002, Figure 4.

An environmental and social impact study completed by Minera de Altiplano S.A. (Consultora Ambiental, 2006) for the construction of provincial route no. 17 described the groundwater conditions of the Salar de Pocitos. The area has not been the subject of much study. The aquifer is believed to be composed of Tertiary age fine sediments. Groundwater levels are very shallow (0.6 to 1.0 m below ground surface). During the summer, it is common that groundwater rises to the surface and there will be flooded areas covered with water. Recharge is primarily through seasonal precipitation via the arroyos and rivers that drain the mountainous regions and alluvial fans. The salars have a high evaporation rate, thus the recharge from the alluvial fans at the salar edges can cause zones of fresh water as well as mixed zones of water quality within the brines associated with the salar. The bands of water quality zones can be mobile both horizontally and vertically in response to the recharge and any extraction activities.

5.3 Significant Mineralized Zones

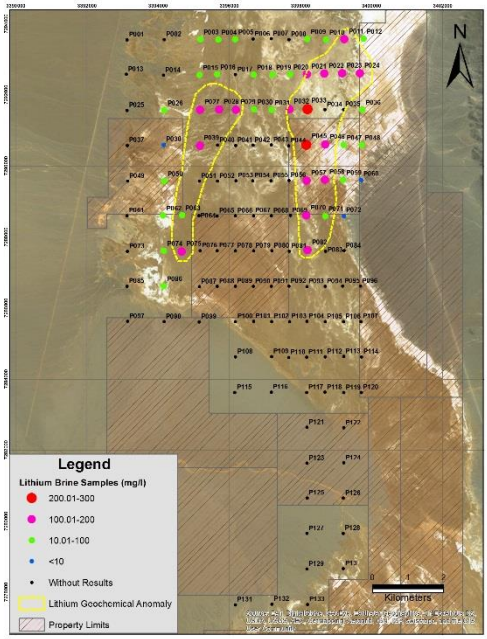
The Terra Cotta Project is located in Argentina's lithium-rich Puna region. Significant deposits of lithium in brine occur approximately 32 km north at Salar del Rincon and approximately 90 km south at Salar de Hombre Muerto. General geological and

hydrogeological features of those two salars are similar to the features observed in the Salar de Pocitos.

The Salar del Rincon lithium project has been extensively explored and evaluated for the last few years, and positive results of a Definitive Feasibility Study were recently announced for the construction of a 50,000 tonnes per year ("tpa") operation for the production of lithium carbonate (Enirgi Group, 2016). In the Salar del Hombre Muerto, the company FMC has been in exploitation of lithium-bearing brine since 1995. In the same salar, the company Galaxy Resources has the Sal de Vida Project, which has been extensively evaluated since 2009, and reports reserves of 1.1 million tonnes ("Mt") of Li_2CO_3 equivalent and 2.2 Mt of potassium chloride ("KCl") equivalent. The Sal de Vida Project has a Definitive Feasibility Study for the construction of a modular plant to produce up to 25,000 Li_2CO_3 tpa and 95,000 tpa of KCl (Galaxy Resources, 2013).

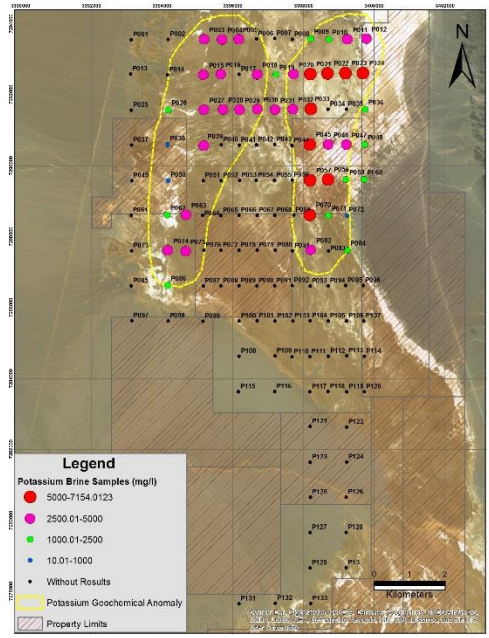
In 2010 and 2011, the company Li3 Energy Inc. released preliminary results of a near-surface brine sampling campaign and a geophysical study completed in the northern portion of the Salar de Pocitos (Li3, 2010a, 2010b and 2010c). Based on the reported results, Li3 Energy defined the presence of two near-surface anomalies. The eastern anomaly had reported lithium concentrations ranging from 100 to 300 parts per million ("ppm") and a potassium concentration ranging from 1,000 to 7,000 ppm. The western anomaly had reported lithium concentrations ranging from 100 ppm to 200 ppm and potassium concentrations ranging from 1,000 to 5,000 ppm. The geophysical survey indicated the presence of three targets at depth with potential to host mineral rich brines. The geophysical anomalies are described as coincident with the surface geochemical anomalies. The lithium and potassium anomalies are shown in Figures 8 and 9.

Figure 8: Lithium anomalies identified by Li3 Energy Inc.



Source: Modified from Li3 Energy, 2010.

Figure 9: Potassium anomalies identified by Li3 Energy Inc.



Source: Modified from Li3 Energy, 2010).

The data released by the company Li3 Energy in 2010 presented the results obtained for the first batch of near-surface brine samples. The brine sampling was completed in a grid pattern of 500 m between sample pits. The reported assay values were collected in the northern and central parts of the current Terra Cotta Project (Figures 7 & 8).

The assays reported indicated two zones of anomalies, identified as east and west. The east anomaly had lithium concentrations ranging from 100 ppm to 300 ppm and a magnesium-lithium ratio ("Mg:Li") of 3:1. The potassium concentrations ranged from 1,000 to 7,000 ppm. The extension of the east anomaly was reported as 6 km long by 2 km wide, and possibly larger.

The west anomaly showed lithium concentrations ranging from 100 ppm to 200 ppm, and had a Mg:Li ratio of 10:1. The potassium concentrations ranged from 1,000 to 5,000 ppm. The anomaly was up to 6 km long and 2 km wide, but the occurrence was not fully delineated.

The available documentation mentioned that these geochemical anomalies have a direct spatial correlation with a geophysical brine target, based on a geophysical survey completed at the property.

The near-surface sampling conducted in the southern portion of the property subject of this report was reported as "without results".

The author of this report does not have access to the Li3 data, and the data are only presented herein as characteristic historic data and informative for the context of the project.

A report prepared for Minera Altiplano referenced the occurrence and small scale exploitation of borates in the area (Garcia, R.F., et al., 2006). The borate deposit occurs mostly in the form of inyoite overlaying deposits of aragonite, and is described as occurring north of the salar. There is no information available related to the production or reserves.

There is verbal communication related to the occurrence of a sodium sulfate deposit in the southern extreme of the Salar de Pocitos, which apparently has been exploited at a low scale. There is no information available regarding the geological features and resources for the deposit (Garcia, R.F, personal communication, January 2017).

There are no significant mineralized zones currently being exploited in the Salar de Pocitos near the Terra Cotta Project.

6 Deposit Type (Item 8)

The conceptual geologic model for the Salar de Pocitos mineral deposits is similar to that of other known deposits located in continental basins of similar conditions identified in Bolivia, Chile and Argentina. The mineral deposit type is related to brine hosted in aquifers related to an endorheic basin, located in zones where evaporation rates exceed precipitation. This results in the precipitation of diverse types of salts on the surface of the playas or salars. Lithium, as well as other elements of economic interest, occurs as a dissolved element in the brine.

Salars are characterized as two general types based in the type of fill material: 1) Immature basin where the fill material is mostly clastic (clays, silts, sands and gravels); and 2) Mature salar where the filling material is mostly evaporitic, predominately halitic in composition. In general, the type of salar defines one of the important features of the aquifer. In the immature salars, the effective porosity of the aquifer is mostly primary, while in the mature salars, effective porosity is secondary, and related to fractures and or karstic zones.

6.1 Mineral Deposit

The mineral deposits in the conceptual geologic model for the Salar de Pocitos are contained in lithium-rich brine hosted in an aquifer, assuming a hydrogeological conceptual model that allows for brine extraction.

6.2 Geological Model Applied

There are a series of geological features common to the brine deposits that have been evaluated in the region:

- The presence of a closed, continental endorheic basin
- Very dry climate conditions with elevated evaporation rates
- The presence of diverse type of salts, such as halite, borates and sulfates, that occur on the surface or as part of the basin fill sediments
- Presence of acidic (ignimbrite) volcanism occurring at the basin border or near the basin
- Presence of recent volcanism and related hot springs
- Geochemical anomalies for lithium, boron, potassium and magnesium (“Li”, “B”, “K” and “Mg”)

7 Exploration (Item 9)

There is limited available information related to previous exploration at the Terra Cotta Project conducted by current owners, Pure Energy or others. Another lithium explorer reported results from surface pit sampling on the properties in 2010 (Li3, 2010a, 2010b and 2010c). The available data were published in public press releases, and are not considered as part of the dataset controlled by the current owners or as Pure Energy data, but are discussed in this report for the purpose of historical context. The available information was summarized in Section 5.2.

Results of January 2017 Site Visit

Mr. Calles-Montijo visited the Terra Cotta Project in January 2017, conducted a site reconnaissance, and collected brine samples.

During the site visit, seven trenches (or test pits) were hand dug to collect a near surface brine samples to verify previous data. The sample locations were selected and marked in the field using a handheld GPS. Sample sites were selected based on the historical data available and defined anomalies, and were chosen to obtain a general overview of the presence of near-surface brine within the mining claims subject of this report.

Weather conditions were not optimal for the sampling efforts, due to continuous rain. Only five of the seven trenches were sampled due to access issues. Safe access to the other two trenches was precluded by muddy conditions in the salar.

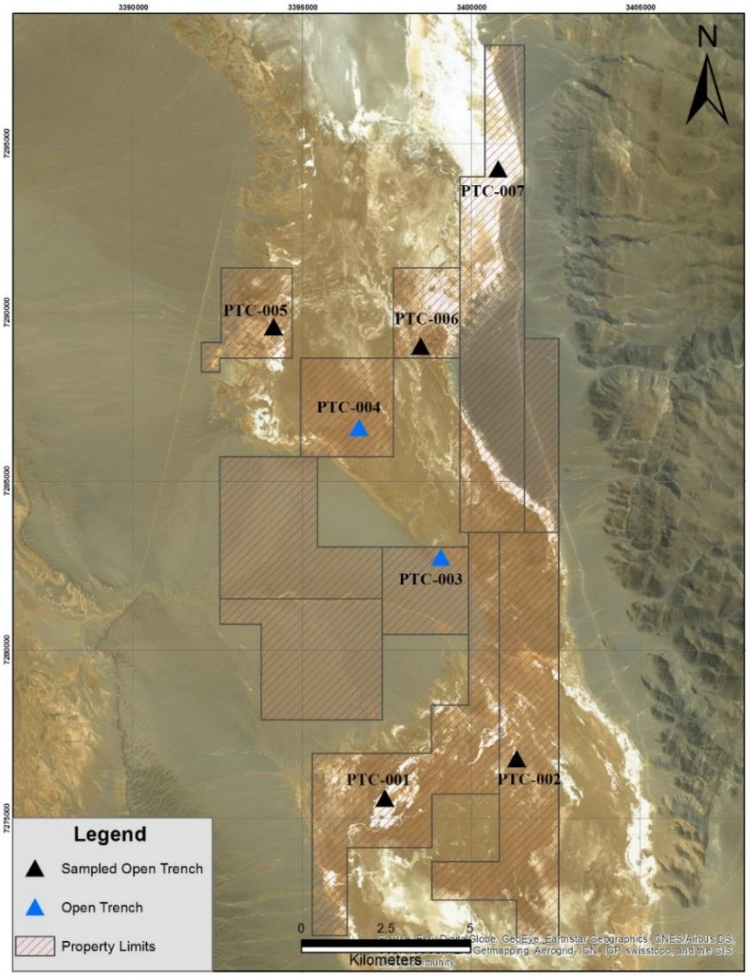
Sample Collection Methodology

Seven small trenches were hand dug at the sampling sites (Figure 10). The trenches were relatively small excavations of 1 m by 1 m in extent, with a 1 m depth (Photo 2).

Brine was encountered at shallow depths in the trenches. Only one trench dug in the northern part (PTC-007) exhibited flow of brine at less than 1 m in depth. For the other trenches, it was necessary to drill a borehole using an 8-inch diameter hand auger within the trench to a depth of 2 to 3 m, followed by an interior borehole drilled to a depth of about 5.5 m using a 4-inch diameter hand auger.

Brine was allowed to accumulate for one day prior to sampling. Brine samples were collected using a 5 m long PVC casing (two-inch diameter) that had been perforated about 0.5 m from one end and then capped on the perforated end to make a type of bailer. The casing was placed within the inner borehole, and the brine was allowed to flow into the casing through the perforations and accumulate in the bottom of the bailer. After extracting the casing from the borehole, the end cap was removed and the brine was collected.

Figure 10: Location of trenches excavated and sampled during the site visit



Source: IMEx, 2007.

Photo 2: Trenches PTC-001 & PCT-007

Source: IMEx, 2017.

The brine sample was collected in a plastic bucket that had been previously rinsed with brine from that sampling location. The brine in the bucket was stirred to homogenize the solution, and two 1-L plastic bottles (sample and duplicate) were completely filled to minimize the presence of air. The sample bottles were then capped, sealed and labeled with a unique identification, and subsequently stored in an ice cooler with ice for preservation. Physical parameters (that is, temperature, pH, density, conductivity) were measured in the field for each sample. A lithological description of each trench was logged.

For most of the samples the collected brine was discolored and turbid, indicating the high presence of dissolved solids, except for one sample (PTC-007) collected in the northern extreme of the claimed area. The turbidity is likely due to the reddish-brown clays in the salar. Sample PTC-007 was clearer, without an excessive amount of clays in suspension. Table 4 summarizes the field data related to the soils encountered at the trenches and physical parameters of the brine samples.

Table 4: Field data collected during the site visit in January 2017

Sample ID	Date	Depth to Water (m below) ground surface) (m)	pH	T (°C)	Density (mg/cm^3)	Conductivity (mS)	Turbidity	Lithology
PTC-001	15-Jan-2017	2.95	7.08	18.1	1.21	> 20	High	Reddish-brown silty clays, with fine grained silty sand and gypsum to the bottom.
PTC-002	15-Jan-2017	2.76	7.14	19.4	1.24	> 20	High	Reddish-brown silty clays, with massive clays at the bottom.
PTC-004	16-Jan-2017	2.37	6.65	18.7	1.064	> 20	High	Reddish-brown clayed, with gypsiferous silt and gypsum bed at the bottom.
PTC-006	16-Jan-2017	2.50	7.66	26.6	1.066	> 20	High	Brown reddish silt, with scattered gypsum crystals and silty clay at the bottom
PTC-007	16-Jan-2017	0.35	7.48	22.0	1.046	> 20	Moderate	Clayed silt at the top, with plastic olive green, fetid, plastic. clay at the bottom

Note: Trenches PTC-003 and PTC-005 were not sampled because weather conditions precluded access to the trenches.

Source: IMEx, 2017.

The change in density between the samples collected the first day (PTC-001 and PTC-002) and the other samples collected a day later are believed to be due to dilution from the rain that fell on the open trenches.

Samples were transported personally by the author to the city of Salta, then packed and shipped to Alex Stewart Argentina S.A., a laboratory in Mendoza, for chemical analysis. The laboratory is certified by Organismo Argentino de Acreditación (Argentina accreditation organization) for analysis of lithium and potassium by inductively coupled plasma optical emission spectrometry ("ICP-OES"). Samples were accompanied by a work order prepared by the author of this report, and sample reception was noted by the laboratory.

During the site visit, one borehole located to the north of, and outside of the Terra Cotta Project mining claims, was observed during the site visit (Photo 3). The borehole was cased, capped and locked.

Photo 3: Borehole from previous field work

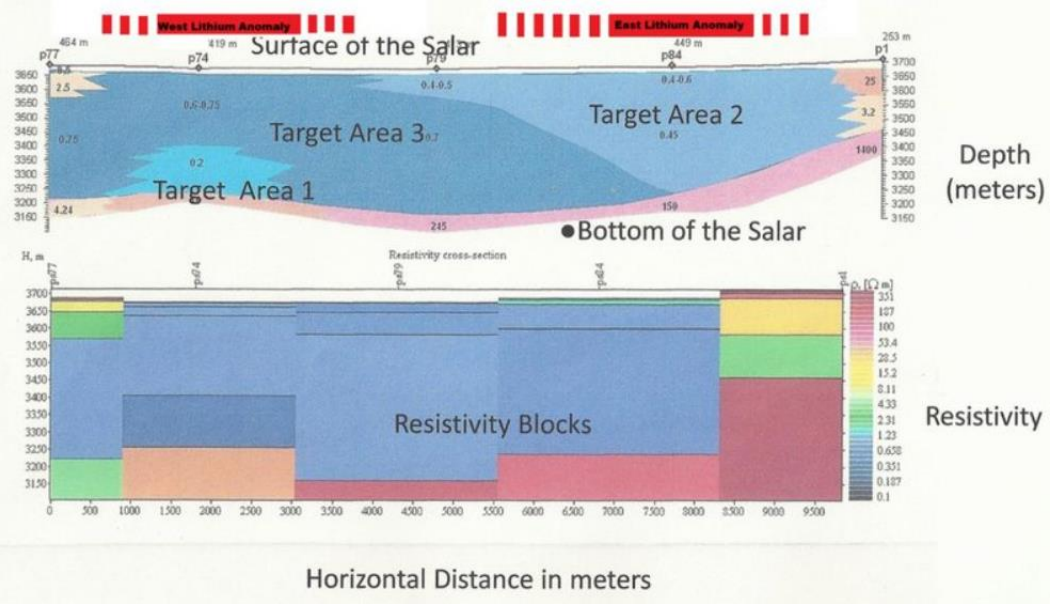
Source: IMEx, 2017.

7.1 Surveys and Investigations

No surveys have been conducted by the current owners or Pure Energy at the effective date of this report.

There is a summary of a geophysical survey completed on June 23, 2010, by Li3, that is public information but the full report is not available. The summary of this geophysical survey concluded that three geophysical anomalies were present and spatially coincident with the geochemical anomalies (Figure 11). The reader is cautioned that this data is considered as historical, and not verified.

Figure 11: Geophysical test profile geophysical targets units. Li3 Energy Inc.



Source: Li3 Energy Inc, Fig. 3 (2010B).

The company Consultora Ambiental (2002), in a public report prepared for FMC, reported the results of three Vertical Electrical Soundings ("VES's) in the northern portion of the Salar de Pocitos. The survey objective was to define the depth of the fresh water aquifer contained in the alluvial fan formed by the Incahuasi and Mamaturi rivers. Consultora Ambiental reported, based on the results of these three VESs, three hydrogeologic units. There was an upper unit with alternate conductive and resistive intervals, assigned to modern, dry sediments; one intermediate unit, moderately resistive, corresponding to modern sediments saturated with fresh water; and a lower, very conductive unit, interpreted as the basement of the aquifer (rock or fine-grained sediments) and/or similar facies to the previous described sequence, but saturated with brine. The thickness of the middle member (interpreted as fresh water saturated) was estimated as 60 m. The report also indicated the lateral and depth variation of this middle interval, and the influence of the brine of the Salar de Pocitos to this media saturated with fresh water.

The public environmental and social impact report prepared for Minera Altiplano, S.A. (Garcia, R.F., et al., 2006) published the results of 35 VESs completed along the provincial route no. 17 (located at the eastern flank of the Salar de Pocitos). Four geoelectric profiles were prepared with the VES data, and the survey work identified four different geoelectric units. In general, the upper Unit 1 is resistive, and interpreted as the modern sediments that constitute the foothills and alluvial fans. This Unit 1 is underlain by Units 2 and 3, which have semi-conductive or conductive electrical characteristics, and are interpreted as part of the hypersaline environment of the salar. Units 2 and 3 have fine grained sediments (sand and silt) with presence of brines or tertiary sediments with a significant presence of

salts. A resistive zone (Unit 4) occurs at the bottom of most of the electrical profiles, and was interpreted to correspond to the Ordovician basement.

7.2 Sampling Methods and Quality

There is no previous sampling completed by the current owners or Pure Energy.

The historic data from Li3 discussed in this report are not available, and information about sampling protocols was limited. The available information indicated that all previous work completed in the Salar de Pocitos was approved by Mr. David G. Wahl, P.Eng., P.Geo, a qualified person as defined by NI 43-101. The reader is cautioned that the data are considered historical in nature.

It is the opinion of the author that the sampling methodology used during the site visit was in accordance with industry standards.

7.3 Significant Results and Interpretation

Historical information available up to the effective date of this report indicates the presence of brines in near-surface samples, with values up to 300 ppm lithium. The historical information also indicates that these anomalies are coincident with geophysical anomalies.

Public information contained in an environmental and social impact report indicates the presence of highly electrical conductive units along the provincial route no. 17, which borders the eastern flank of the Salar de Pocitos. The survey identified 4 geo-electrical profile units based on 35 VES profiles. The survey indicates the presence of semi-conductive and conductive zones, which was interpreted as part of the hypersaline environment of the Salar de Pocitos, fine grained sediments saturated with brine, or tertiary sediments with considerable amount of salt. The semi-conductive and conductive unit, beneath an electrically resistive zone, was interpreted as part of the younger sediments that conform to the foothills and alluvial fans along the flank of the salar.

The open trenches dug during the site visit of the author in January 2017 confirmed the presence of brine in the claimed area of interest for this report. The water table depth ranged between 0.35 and 2.95 m from the current surface of the salar. Samples were collected in 2017 under poor weather conditions, due to the rainfall that occurred during the field work. The potential dilution due to rain is reflected in the decrease of the density of the brine samples collected after a significant rain storm on the second day compared to samples collected on the first day (samples PTC-001 and PTC-002).

The previously reported lithium and potassium values were not confirmed. Due the access conditions and claim boundaries, most of the 2017 samples did not fall within the boundaries of the anomalous zones reported in 2010. Samples collected during the site visit (2017, Table 5) resulted in significantly lower concentrations of the elements of interests (Li and K). Only one of the samples collected during this site visit (PTC-006) is located inside the eastern anomalous zone for lithium and potassium reported in 2010, but

values obtained were considerably lower than previously reported. Reports from 2010 summarized the anomalous zone as ranging between 100 and 200 mg/L of lithium, and potassium concentrations were greater than 5,000 mg/L. The reports did not give a specific range of potassium concentrations. The assays results for sample PTC-006 collected during the site visit in 2017, which fit into the previously defined anomalous area, reported 46 mg/L of lithium and 1,402 mg/L of potassium (Table 5). Although the results from the samples assayed in 2017 yielded much lower lithium and potassium content than reported in the anomalous zones of the 2010 reports, geochemically, all the 2017 samples can be considered as anomalously enriched in lithium and potassium.

Table 5: Assay results for the five brine samples collected in 2017 (Alex Stewart Lab)

Sample ID	TDS (Dried 180°C) (mg/L)	Sulfates SO4= (mg/L)	Chlorides Cl^- (mg/L)	B (mg/L)	K (mg/L)	Li (mg/L)	Mg (mg/L)	Conductivity (µS/cm)	Density (g/mL)	pH
Analytical Technique	Grav	Grav	Volum	ICP-OES	ICP-OES	ICP-OES	ICP-OES	Instrumental	Grav	ISE
PTC-001	336720	30607	174873	49	1984	61	169	232100	1.2229	7.5
PTC-002	341960	29042	180994	118	1482	34	342	233000	1.2114	7.7
PTC-004	54360	6561	25794	26	696	16	278	73400	1.0426	7
PTC-006	101920	6783	53773	46	1402	29	249	128600	1.0733	7.9
PTC-007	76680	3452	42407	36	738	19	262	104100	1.055	7.7
Average				**55**	**1260**	**32**	**260**			

Source: IMEx, 2017.

8 Drilling (Item 10)

As of the date of this report, there has been no drilling on the property.

9 Sample Preparation, Analysis and Security (Item 11)

There is no information regarding to sample preparation, analysis and security applied on the historical data included in this report. The information provided below is from the sampling event conducted in January 2017 by the author.

9.1 Sample Preparation Methods

Samples collected during the site visit were collected as described in Section 7 of this report.

9.2 Laboratory Analysis

The analytical tests requested and methodologies applied are listed in Table 6. Alex Stewart Argentina S.A. is certified by Organismo Argentino de Acreditación (Argentina accreditation organization). This laboratory has extensive experience analyzing lithium-bearing brines. It is also ISO 9001 accredited.

Table 6: Brine sample analyses and methodologies

LAB CODE	DESCRIPTION
LMCl01	Determination of Chlorides by Argentometry (SM-4500-Cl-B)
LMFQ01	Determination of Specific Conductivity (SM 2510-B)
LMFQ07	Determination of Total Dissolved Solids Dried at 103-105 ºC (SM-2540-B)
LMFQ08	Determination of Total Dissolved Solids Dried at 180 ºC (SM-2540-C)
LMFQ15	Determination of Total Alkalinity (SM 2320-B)
LMFQ19	Determination of Density by Pycnometer (IMA 28)
LMCl22	Determination of Sulfates - Gravimetric Method with combustion of Residues
LMCl28	Determination of pH (SM-4500-H+)
LMMT03	ICP of Brines: Samples with TDS > 5% (B, Ba, Ca, Fe, K, Li, Mg, Mn, Na, Sr)

SM = Standard method
ICP-OES = inductively coupled plasma optical emission spectrometry
Source: Alex Stewart Argentina S.A., 2017.

9.3 Results and QC Procedures

A summary of the assay results for the five near-surface samples collected during the site visit are included in Table 5, Section 7.3. Copies of the Assay Certificates for these samples are included in Appendix C.

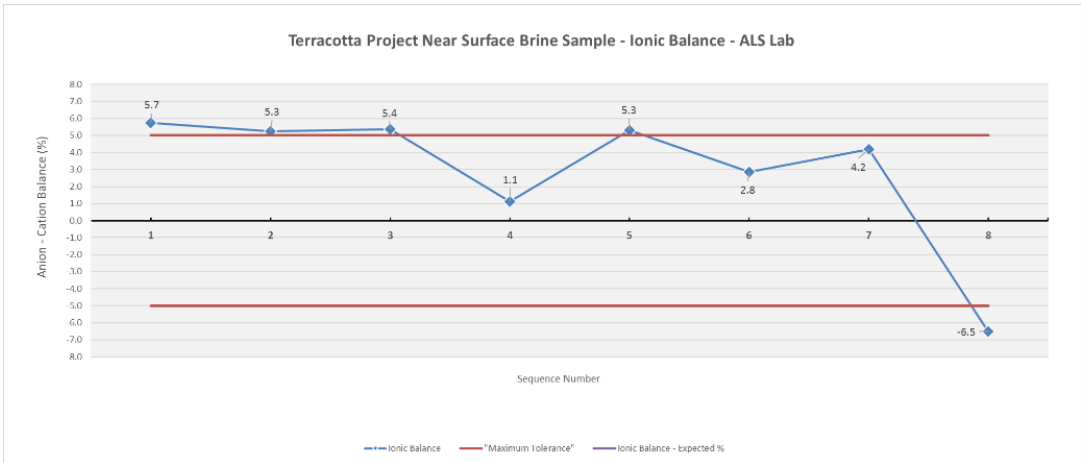
There is no information related to the QA/QC procedures applied for the historical data presented in this report.

All samples collected during the site visit were duplicated. Two of the duplicate samples were inserted in the batch shipped to Alex Stewart Argentina S.A. One non-certified blank (demineralized water) was also inserted to monitor sample quality assurance and control. Assays received were evaluated to verify the ionic balance and to compare concentrations

of measured total dissolved solids against calculated total dissolved solids, according with the specifications and criteria established by the APHA and AWWA (APHA, AWWA & WFE, 1999).

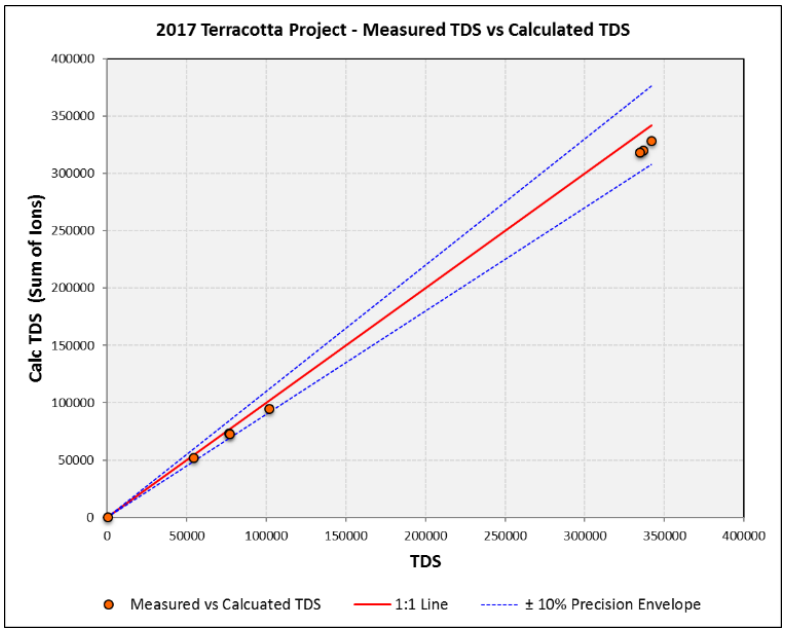
Figure 12 summarizes the calculated Ionic Balance and Figure 13 presents the comparison between measured and calculated dissolved solids, including the tolerance limits acceptable for these parameters. The evaluation of the duplicate samples is included in Table 7.

Figure 12: Ionic balance calculations for samples collected during the site visit



Source: IMEx, 2017.

Figure 13: Comparison of calculated TDS and measured TDS in samples collected during the site visit



Source: IMEx, 2017.

Table 7: Estimated Relative Difference ("RD") between duplicate samples during site visit

Sample ID	TDS (Dried 180°C) (mg/L)	Sulfates SO4= (mg/L)	Chlorides Cl^- (mg/L)	B (mg/L)	K (mg/L)	Li (mg/L)	Mg (mg/L)	Conductivity (µS/cm)	Density (g/mL)	pH
PTC-001	336720	30607	174873	49	1984	61	169	232100	1.2229	7.5
PTC-001 A	334360	30475	173124	49	2038	61	169	232400	1.2207	7.5
RD %	***0.70***	***0.43***	***1.01***	***0.00***	***-2.69***	***0.00***	***0.00***	***-0.13***	***0.18***	***0.00***
PTC-007	76680	3452	42407	36	738	19	262	104100	1.055	7.7
PTC-007 A	76740	3496	42407	35	737	19	265	104200	1.056	7.7
RD %	***-0.08***	***-1.27***	***0.00***	***2.82***	***0.14***	***0.00***	***-1.14***	***-0.10***	***-0.09***	***0.00***

Source: IMEx, 2017.

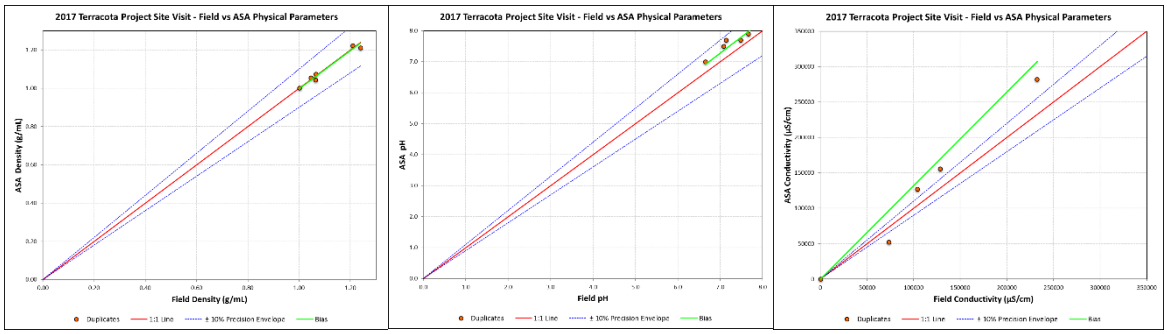
The ionic balance of the eight samples analyzed (five samples, two duplicates and one non-certified blank) are essentially between the limits of the values of tolerance commonly accepted (±5%). Four of the analyzed samples show values slightly above tolerance limits with values ranging between 5.3 and 5.7%. It is notable that the non-certified blank inserted has the highest discrepancy in the ionic balance (6.5%).

The comparison between Measured versus Calculated TDS values determined at the lab indicates that all samples are within acceptable tolerance limits (RD <10%), except for the non-certified blank inserted, which slightly exceeds the tolerance limits with a RD of 10.71%.

The validation of the duplicates (2) of brine samples for the elements of interest shows that the results are acceptable, with RD values <3% (commonly accepted RD values in the industry are <10%).

As part of the QA/QC for the collected samples during the site visit, the physical parameters determined in the field (density, pH, conductivity) were compared with the values obtained in the laboratory. Due to the high concentrations of dissolved solids in the brine (ranging between 104,100 and 233,000 µS), the concentrations determined in the field were estimated in dilute samples. The same dilution factor was applied to all samples, dissolving 50 mL of brine in 950 mL of demineralized water, in order to obtain 1 L of diluted brine. A 2-L graduated, plastic cylinder was used to prepare and control the dilution, whereas for the determination of the amount of the 50 mL of brine, a 500-mL glass graduated cylinder was used. Once the dilution was completed and the sample homogenized, the conductivity was measured using a Hanna water quality meter for pH, EC and temperature. A series of graphs showing the comparison between physical parameters measured in the field versus values calculated in the lab are shown in Figure 14.

Figure 14: Comparison between physical parameters determined in the field versus calculated in the lab



Source: IMEx, 2017.

The values of brine density measured in the field match with values reported by the laboratory, with a maximum RD estimated as 2.33%. The pH also reports consistent values between determinations made in the field and those made in the laboratory, with RD values within the acceptable limits of tolerance (±10%). The maximum discrepancy in the comparison of physical parameters measured at each brine sample is observed in the estimation of the TDS, with discrepancy up to 42% between the field measurement and the values obtained in the laboratory. Overall, the observed behavior of the TDS field results appears to follow a consistent over-estimation (positive bias). The low accuracy in the determination of TDS in the field has been observed in similar types of deposits, and it is apparently related to the high salinity of the brine, the low detection limits of the field equipment, and the dilution procedures in the field, which are affected by non-controlled conditions.

9.4 Opinion on Adequacy

The reader is warned about the accuracy of the historical data presented in this report, since the procedure and protocols applied during the sampling were not verified by the author of this report.

Two of the samples collected during the site visit were in areas previously sampled, or in a zone reported historically as having an anomaly. Since the exact location of historical data was not available, the accuracy of this potential duplicate is not established.

The samples collected during the site visit were not obtained during adequate weather conditions, since the rainfall that occurred during the field work may produce a dilution effect in the near-surface brine samples. This observation is supported by the significant difference noted in the field density measurements of the brine during the first day of sampling and the subsequent samples that were collected after a significant rain in the area.

It is the opinion of the author that sampling procedures and analytical methods used during the site visit are adequate and in line with industry standards, at the current early stage of this project.

The QA/QC procedures established for the reconnaissance sampling and assays during the site visits are adequate for the early exploration status of this project. Brine sample integrity during transport (i.e. from the time of sample collection to the time of arrival at the laboratory) is supported by the consistency between the physical parameters determined in the field, and the values measured in the laboratory. Laboratory performance is considered acceptable at this level of research, based in the repeatability of assay results observed in duplicates, the acceptable level of accuracy in the ionic balance and comparison of TDS results and the results of the non-certified blank inserted in the sample batch.

It is recommended for future sampling programs that appropriate procedures and protocols be established for sample collection, QA/QC and test work in accordance with the standards currently used in the industry for this type of mineral deposit. It is also recommended, as part of the QA/QC procedure and protocol, to use an adequate set of certified Material of Reference standards and blanks, based on selected brines in the area.

10 Data Verification (Item 12)

No previous sample data were directly verified since samples are not available from current owners or Pure Energy. Instead, new samples believed to be reasonably representative of the historic samples were collected and the technical and legal information was verified, as described below.

10.1 Procedures

The sample (PTC-006) collected during the site visit, located in the northern portion of the mining claims and within one of the two anomalous zones, was collected within a reasonable margin of error from the sample locations previously identified in the historical information and available maps .

The comparison between historical results and the assays received for samples collected during the site visit confirm the presence of a near-surface brine previously reported in the northern extreme of the claimed area, which was an objective of this report. Previous assay results could not be properly verified, since the lithium and potassium results received from samples collected during the site visit were considerably lower in elements of interests than previous results, although the new samples did yield geochemically anomalous values for lithium and potassium at locations near historical sites previously sampled (Li3, 2010). The potential effect of the dilution factor due the rains during the site activities could contribute to this discrepancy.

The legal information related to land and property status was verified and confirmed by Pure Energy's legal advisor.

10.2 Limitations

The author of this report had no access to the historical data included in this report.

10.3 Data Adequacy

The author of this report considers that the information available to date is sufficient to justify the project of merit status established in this report.

11 Mineral Processing and Metallurgical Testing (Item 13)

As of the date of this report there has been no mineral processing or metallurgical test work completed on the Terra Cotta Project.

12 Mineral Resource Estimate (Item 14)

As of the date of this report, there has been no Mineral Resource Estimate completed on the Terra Cotta Project.

13 Mineral Reserve Estimate (Item 15)

As of the date of this report, there has been no Mineral Reserve Estimate completed on the Terra Cotta Project.

14 Mining Methods (Item 16)

As of the date of this report, there has been no mining method evaluation completed on the Terra Cotta Project.

15 Recovery Methods (Item 17)

As of the date of this report, there has been no evaluation of recovery methods in association with the Terra Cotta Project.

16 Project Infrastructure (Item 18)

Infrastructure in most of the region is generally limited. There are no support facilities at the property.

17 Market Studies and Contracts (Item 19)

As of the date of this report, there have been no market studies or contracts completed on the Terra Cotta Project.

18 Environmental Studies, Permitting and Social or Community Impact (Item 20)

Argentina requires environmental studies and authorizations for mining exploration and exploitation projects. The Terra Cotta Project has submitted an environmental study as part of the permit application for exploration (Terra Andina, 2016). The environmental conditions noted in the study and Argentinian permitting requirements are described below.

18.1 Regulatory Framework

The Argentinian federal constitution, as amended in 1994, provides general principles for the protection of the environment, and empowers the federal government to determine the minimum standards for protection. Provinces may issue their own specific regulations, as is the case for the province of Salta. The province of Salta has the responsibility of management of social and environmental permits, through the provincial Secretariat of Mining and Energy Resources (Secretaria de Minería y Recursos Energéticos).

The primary laws for environmental permitting of mining projects in Salta include the following:

- Law 7070 (promulgated 1999): environmental protection.
- Law 7141 (promulgated 2001): mining code.

An environmental permit is required by the office of the Mining Secretary for the Province of Salta as part of the mining exploration or exploitation permit. The environmental permit is granted based on an environmental and social impact study ("estudio de impacto ambiental y social") per the requirements of provincial law number 7070. The report must include the following information:

- A description of the proposed plan, program, project, work or other activity.
- The environmental baseline.
- A detailed description of those effects, characteristics or circumstances that give rise to the need to carry out the environmental and social impact study.
- A prediction of the environmental and social impact of the initiative and an analysis of risks and uncertainties.
- A description of proposed mitigation and remediation measures to eliminate or reduce the adverse effects of the initiative.
- A description of the actions planned to comply with the environmental legislation in force in the province.
- An analysis of alternatives to the initiative.

- A monitoring and monitoring plan.
- A contingency plan.
- A financial plan to comply with the proposed mitigation and remediation measures and the contingency plan.

The environmental and social impact study should be based on the stipulations in national law number 24.585: Environmental Protection for Mining Activities ("De la Protección Ambiental para la Actividad Minera").

The Secretariat of Tourism and Culture (Ministerio de Cultura y Turismo) regulates operating permits in areas of potential archaeological and paleontological interest (National law no. 25.743/03).

Project advancement will require submission of a comprehensive environmental and social impact study. Following approval of the environmental study, additional permits, licenses, authorizations and certificates are required prior to a construction phase. These could include the following, depending on the project design:

- Mine closure plan;
- Presentation of hazardous waste management plan;
- Project approval for sewage water treatment;
- Project approval for drinking water treatment;
- Favorable report for construction (land use)

The water rights are granted together with the mining concessions, thus the mining concession for the Terra Cotta Project includes the right to use the water as long as the obligations for the mining concession are met.

18.2 Baseline Studies

Minera Cerro Juncal contracted Terra Andina, an environmental consulting company in Salta, to carry out the baseline studies required for an environmental and social impact study (Terra Andina, 2016) for the proposed next phase of exploration. Results from the study plus historic data are summarized below to describe the baseline conditions at the Terra Cotta Project.

The Puna plateau is in a high elevation desert in the Andes Mountains. The geographic and climatic conditions were described in Section 3 of this report. The geologic conditions were described in Section 5 of this report.

The soils of the Puna plateau are described as fluvisols, lithosols and solonchaks per the Food and Agriculture Organization of the United Nations classification, which places an emphasis on the agricultural usage of soils. The predominant soil type present is fluvisols. These are genetically young soils in alluvial deposits. A test pit excavated to a depth of 130

cm at the edge of the Salar de Pocitos noted that the primary feature differentiating between soil horizons is the color change from reddish brown to bluish gray associated with the reduction of ferric iron to ferrous iron under changing saturation conditions (Garcia, R.F., *et al*., 2006). The test pit encountered loose, sandy soils. At the Terra Cotta Project the land is a salar and there is no current use of the soils, nor is there use of the soil in nearby areas.

Flora

The Andean steppe is a biome with herbaceous vegetation. The vegetation species are unique and generally do not have equivalent English names, so the common Spanish names or a scientific name is used in this report. The Puna plateau is primarily a steppe environment with scrub vegetation (primarily “tolilla”, “lejía” and “añagua”), but there are areas of variations. In the northern and eastern parts of the Puna plateau there is more moisture and a greater diversity of plant species. To the south and east, the areas are drier and, in some places, there is no vegetation. Within the steppe, graminaceous plants such as grasses and some woody plants are common.

The comprehensive biological survey completed for the provincial route no. 17 (Garcia, R.F., *et a*l., 2002) delineated five zones of vegetation based on the geography:

- Zone 1: Steppe. Corresponds to glaciated areas. Plants were primarily Festuca species, iros, anagua, mocoraca blanca, suryanta and tolilla.
- Zone 2: Steppe with sparse, short bushes and isolated grasses. Areas at the foot of mountains, with some areas dissected by water erosion and poorly sorted alluvium.
- Zone 3: Areas of continuous moisture due to presence of springs and shallow groundwater. Landform is a slope or flat plain. Vegetation is characterized by grasses with short rhizomes (sod-forming grasses) bordered by patches of tall grasses and small creeping annual species that grow in between the patches of grass.
- Zone 4: Area around the salars with sparse vegetation, primarily yareta, salt grasses, Stipa sp. and tola.
- Zone 5: Arid areas of alluvial fans and active deposition from the mountains, with little or no vegetation.

The list of species observed during the baseline study is presented as Table 8. It should be noted that the survey was conducted along a 110 km transect that included areas outside of Salar de Pocitos.

Table 8: Species of flora identified in baseline study for the provincial route 17

Family	Scientific Name	Common Name
Apiaceae	Azorella compacta	Yareta
Asteraceae	Azorella sp.	Yareta
	Senecio filaginoides	Mocoraca blanca
	Senecio sp. -	
	Parastrephia phyliciformis	Tola
	Perezia virens -	
	Nardophyllum armatum	Suriyanta
	Werneria sp. -	
	Nassauvia axilliaris	Colapiche
	Chuquiraga sp.	Monte amarillo
	Chuquiraga acantophylla	
Cactaceae	Opuntia sp.	Cactácea
	Tephrocactus sp.	Cactácea
Cruciferae		
Ephedraceae	Ephedra sp.	Pingo pingo
Fabaceae	Adesmia horrida	Añagua
Juncaginaceae	Triglochin palustris	
Poaceae	Festuca villipalea	Iros
	Festuca sp.	Iros
	Festuca chrysophylla	Iros

Source: Garcia, R.F., et al., 2006.

The number and density of species were quantified in order to measure biodiversity as an indicator of the environmental conditions. The survey transects were measured using the Shannon index, which compares diversity based on the different species present and their relative abundances. In the case of the vegetation zones identified in the provincial route no. 17 survey, the Shannon indices were 1.38, 1.98, 1, 1.45 and 0 for zones 1 through 5, respectively. The typical Shannon values are between 1.5 and 3.5 in most ecological studies, so the baseline studies indicate that the biodiversity is relatively low except for zone 2. The zones that would correspond best to the conditions in the Salar de Pocitos are zones 4 and 5.

A site-specific baseline study was completed for the proposed next phase of field work at the Terra Cotta Project (Terra Andina, 2016). Plants found in the region per the baseline study are listed in Table 9. None were listed as being under a protective status. Some of the plants are used locally for fuel.

Table 9: Species of flora in the region

Species	Common Spanish Name
Fabiana punensis	tolilla
Fabiana densa	tolilla
Baccharis incarum	lejía
Adesmia horridiuscula	añagua
Adesmia sp.	añaguilla
Senecio viridis var. viridis	moco-moco
Junellia seriphioides	rosita o roseta
Nardophyllum armatum	suriyanta
Parastrephia lepidophylla	tola
Pennisetum chilense	esporal
Trichocereus pasacana	cardón
Festuca scirpifolia	chillagua
Sporobolus rigens f. atacamensis	carrizo
Junellia aretioides	yaretilla

Source: Terra Andina, 2016.

Fauna

Two different baseline studies of fauna have been completed. One comprehensive study was prepared as part of the provincial route no. 17 and a site-specific study was completed for the proposed next phase of work at the Terra Cotta Project.

The baseline study completed for the provincial route no. 17 (Garcia, R.F., *et al*., 2006) identified five different environmental zones specifically for avian life:

- Zone 1: Areas with shrubs and dense pasture, composed primarily of tolilla, festucas, anagua, mocoraca blanca and sriyanta.
- Zone 2: Areas with sparse shrubs.
- Zone 3: Areas with surface water or shallow groundwater.
- Zone 4: Areas around the salars or dunes, with sparse vegetation, primarily yareta, saladillo, and Stipa sp.
- Zone 5: Areas of desert pavement, with no or little vegetation, includes alluvial fans.

There were 172 individual birds observed during the field work, which corresponded to 17 species within 7 families. Only 31 birds were observed in zone 4 and one bird in zone 5. Zones 4 and 5 correspond more to the project site than the other zones. Several bird species identified in the provincial route no. 17 study area and zones of influence are protected. Three bird species occur in zones 4 and 5: the golden dove (Metriopelia aymara), the puna miner (Geositta punensis) and canyon swallow (Notiochelidon cyanoleuca). None of these three species are considered endangered or under special protection.

The provincial route no. 17 biological study for mammals focused on the presence of vicuñas, Andean mountain cat, red fox, “oculto” (a type of large rodent similar to a prairie

dog, also known as “tuco-tuco” or “tojo”) and domestic livestock (such as burros, sheep and goats). The Andean mountain cat is a protected species that has a high risk of extinction. Vicuñas and chinchillas are also under a protection status. In general, these animals were associated with the zones of better vegetation and were not found at the salars.

The baseline study completed for the Terra Cotta Project was a review of published information and no specific animals were noted at the project site (Terra Andina, 2016). The region contains a number of fauna protected species, however most of the animal life is found near water sources. The protected fauna are listed in Table 10.

Table 10: Species of protected fauna in the region

Species	Common Spanish Name	Status
Pterocnemia pennata	Choique	vulnerable
Buteo puecilochorus	Aguilucho puneño	rare
Phygilus dorsalis	Comesebo puneño	rare
Phrygilus atriceps	Comesebo cabeza negra	rare
Geositta punensis	Caminera puneña	rare
Geositta tenuirostris	Caminera picuda	rare
Muscisaxicola alpina	Dormilona cenicienta	rare
Muscisaxicola flavinucha	Dormilona fraile	rare
Muscisaxicola frontalis	Dormilona frente negra	rare
Asthenes steinbachi	Canastero castaño	rare
Carduelis uropigialis	Cabecita negra andino	vulnerable
Falco peregrinus	Halcón peregrino	vulnerable
Lama guanicoe	Guanaco	vulnerable
Lynchailurus colocolo	Gato del Pajonal	vulnerable
Lagidium viscacia	Vizcacha	vulnerable
Vicugna vicugna	Vicuña	vulnerable
Pseudolopex culpaeus	Zorro colorado	in danger
Akodon andinus	Ratón andino	undetermined
Neotomis ebrosus	Ratón ebro	rare

Source: Terra Andina, 2016.

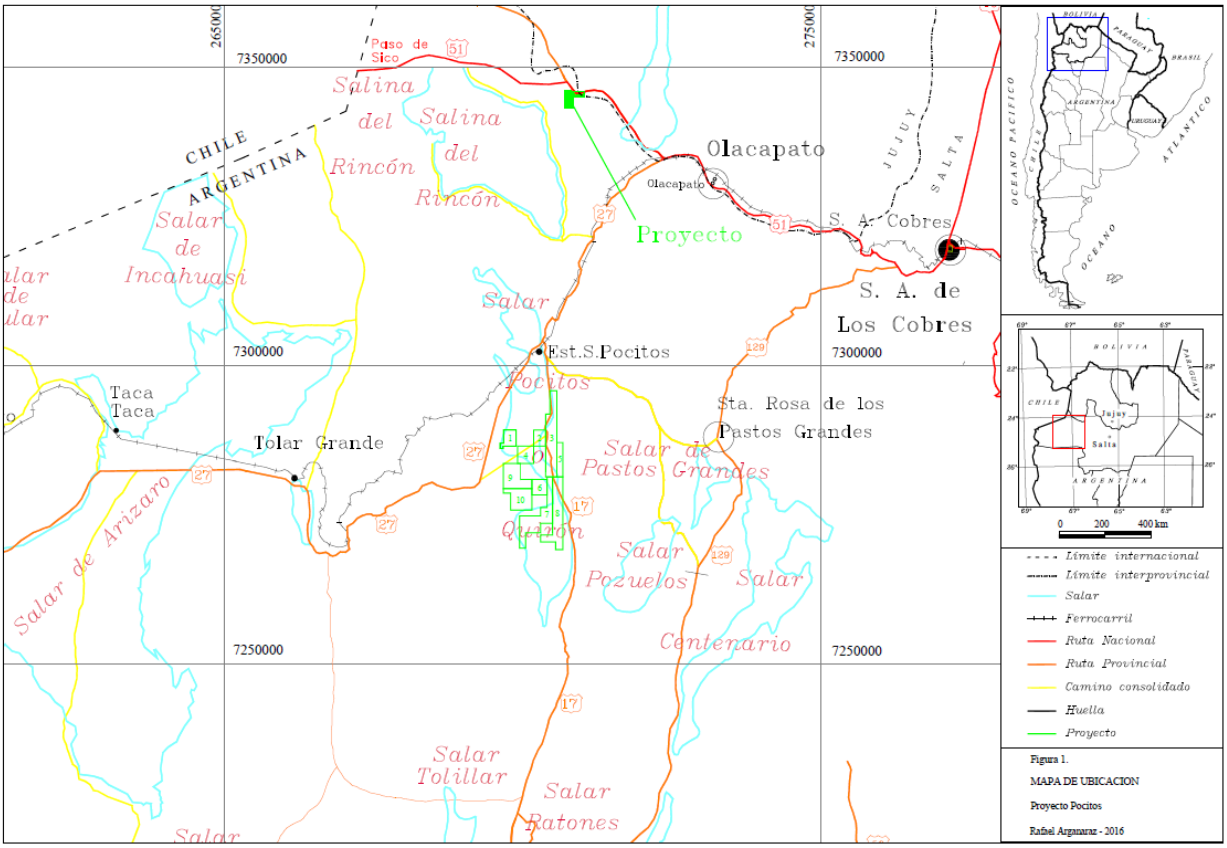
Cultural Status and Protected Lands

There are no known sites of historic, archeological or cultural value at the project site or the immediate surroundings.

The Terra Cotta Project is not within any protected lands. The closest protected area is the multiple use wildlife reserve “Los Andes” (“Reserva de Fauna Silvestre Los Andes”), which is significantly north of the project area.

The closest community is Estacion Salar de Pocitos, which has a police station, first responder medical services, telephone, restaurant and lodging. The closest community with hospital services and schools is San Antonio de los Cobres, which is the government head of the Los Andes Department. The community locations are shown in Figure 15.

Figure 15: Location of Terra Cotta Project in relationship to the nearby communities



Source: Terra Andina, 2016, Figure 1.

18.3 Considerations of Social and Community Impacts

The Terra Cotta Project is a remote greenfields site and there are no local settlements in the area under the mining claims. Despite the lack of a local population, a social impact assessment will be necessary in the future should the project advance to a pre-feasibility stage. Mitigation measures to avoid, reduce or compensate for potential project effects will need to be developed and supported by a comprehensive environmental and social baseline study. Should the project be advanced, there is an opportunity for the project to provide a positive contribution to the region in employment and infrastructure.

Although there have been conflicts regarding some large mining projects in the Andes, such as the Barrick Pascua Lama project, the major complaint has been related to protection of waters and glaciers. The Terra Cotta Project is not in an area where there are glaciers or surface water bodies.

18.4 Conclusions and Recommendations

The Salar de Pocitos is a largely unpopulated area with low biodiversity in plant and animal life. There are no known environmental, permitting or socio-economic issues that may adversely affect exploration at the Terra Cotta Project.

It is recommended that more comprehensive baseline studies be initiated during the next phase of advancement.

It is recommended that the conceptual hydrogeologic model be developed based on field work to characterize the hydrogeologic setting, including occurrence (vertical and lateral extent of the aquifer), hydraulic properties and geochemistry. Short-term hydraulic testing should be conducted in exploration wells to estimate the transmissivity and hydraulic conductivity of the aquifer. Following testing activities, the wells should be used to monitor groundwater levels and for limited water sampling.

19 Capital and Operating Costs (Item 21)

As of the date of this report, there have been no capital and operating costs market studies completed.

20 Economic Analysis (Item 22)

As of the date of this report, there has been no economic analysis completed.

21 Adjacent Properties (Item 23)

Significant deposits of lithium in brine occur approximately 32 km north at Salar de Rincon and approximately 90 km south at Salar del Hombre Muerto. The Salar del Rincon lithium project has been extensively explored and evaluated for the last few years, and positive results of a Definitive Prefeasibility Study were recently announced for the construction of a 50,000 tpa operation for the production of Li_2CO_3 (Enirgi Group, 2016). In the Salar del Hombre Muerto, the company FMC has been in exploitation of lithium-bearing brine since 1995. In the same salar, the company Galaxy Resources has the Sal de Vida Project, which has been extensively evaluated since 2009, and reporting reserves of 1.1 Mt of Li_2CO_3 equivalent and 2.2 Mt of KCl equivalent. The Sal de Vida Project has a Definitive Feasibility Study for the construction of a modular plant to produce up to 25,000 Li_2CO_3 tpa and 95,000 tpa of potassium chloride (Galaxy Resources, 2013).

The information has not been verified by the author of this report and the information is not necessarily indicative of the mineralization of the Terra Cotta Project.

22 Other Relevant Data and Information (Item 24)

No relevant technical information has knowingly been omitted by the author.

23 Interpretation and Conclusions (Item 25)

23.1 Results

- The geological, hydrological and structural settings of the Terra Cotta Project are considered favorable for the occurrence of brine deposits with presence of concentrations of lithium and potassium of economic interest.
- The geographic location of the project area and infrastructure available are considered favorable, compared with other similar deposits located in the zone.
- The site visit completed by the report author during January 15, 17 and 18 of 2017 confirmed the presence of near surface brine with geochemical anomalies in lithium and potash.
- The concentrations of lithium and potassium reported from the five brine samples collected during the site visits do not represent concentrations of economic interests, but could be considered as geochemical anomalies. The weather conditions during the site visit may have had an adverse impact in the assay results, due to the potential dilution caused by the rain.
- Existing geophysical data support the presence of brines and salts beneath the surface of the claimed area.
- The claimed area presents a high concentration of sulfates, represented by a considerable amount of gypsum at ground surface and the presence of elevated concentrations of sulfate reported in the five brine samples collected during the site visit.
- The legal status of the properties under option by Pure Energy is in good standing and the current owners have valid titles. None of the properties has an outstanding claim. One of the claims is still pending the final granting by the mining court.
- Based on the geographic location of the project, the geological and hydrogeological features observed at the property, and the positive infrastructure features, the Terra Cotta Project is considered a “Project of Merit” that warrants further exploration and evaluation activities.

23.2 Significant Risks and Uncertainties

- The granting of the claims currently under option by Pure Energy was subject to the approval of the exploration Environmental Impact Report (EIR). At the effective date of this report, the EIR has been approved and nine out of ten claims officially granted by the Mining Court; one of the claims is still pending final approval by the corresponding authorities.

- Due to the current status of the project, the geochemical and hydrogeological conditions have been not evaluated in detail in the portion of the Salar de Pocitos covered by the mining claims that are the subject of this study.
- The distribution of the property currently under option by Pure Energy is not continuous and includes some gaps of land apparently controlled by a third party. These areas may be of interest for brine occurrence.

24 Recommendations (Item 26)

Based on the project's early exploration stage, the following activities are recommended to locate potentially lithium bearing brines of economic interest, and obtain preliminary information related to the hydrogeological and geochemical characteristics of the aquifer:

- Detailed and systematic near-surface brine sampling campaign. This campaign must be completed during adequate weather conditions, with trenches/holes at least 5 m in depth.
- Geophysics surveys using Vertical Electrical Sounding (VES), along transversal sections in the salar. Each VES needs to be planned to reach at least 300-400 m depth to define the presence and distribution of underground brines and define the morphology of the basin basement.
- A gravity survey to obtain a preliminary assessment of the basin basement morphology and thickness of the hydrogeological units that have the potential to contain brines of economic interest.
- A preliminary exploration drilling campaign, based on the results from previous work. Three RC holes are recommended to assess the distribution and geochemistry of the brine, and two additional diamond drill holes are recommended to obtain data related to basic physical parameters of the different hydrogeological units.

The schedule of recommended activities is presented in Table 11.

Table 11: Schedule of programmed exploration activities

Activity	Months					
	1	2	3	4	5	6
Near Surface Brine Sampling						
Near Surface Brine Samples Assays						
Geophysical Surveys (VES)						
Geophysical Surveys (Gravimetry)						
Environmental Impact Report						
Improvement of Access Roads						
Drilling (3 RC holes)						
Drilling (2 DDH holes)						
Core Samples Tests ((RBRC)						
Brine Samples Assays (Drilling)						

Source: IMEx, 2017.

Estimated costs are for recommended activities are listed in Table 12.

Table 12: Estimated costs

Activity	Number/Unit		Unit Costs	Total
Near-Surface Brine Sampling	1	Lump Sum	$ 35,000.00	$ 35,000
Near-Surface Brine Sample Assays	100	Sample	$ 200.00	$ 20,000
Geophysical Surveys (VES)	1	Lump Sum	$ 66,000.00	$ 66,000
Geophysical Surveys (Gravimetry)	1	Lump Sum	$ 25,000.00	$ 60,000
Environmental Impact Report	1	Lump Sum	$ 5,000.00	$ 5,000
Preparation of Reference Materials	1	Lump Sum	$ 35,000.00	$ 35,000
Improvement of Access Roads	1	Lump Sum	$ 20,000.00	$ 45,000
Drilling (3, RC holes)	750	meter	$ 200.00	$ 150,000
Drilling (2, DDH holes)	500	meter	$ 250.00	$ 125,000
Core Samples Tests (RBRC)	80	Sample	$ 215.00	$ 17,200
Brine Sample Assays (Drilling)	85	Sample	$ 150.00	$ 12,750
Integration of Database	1	Lump Sum	$ 20,000.00	$ 20,000
Exploration Manager	6	Month	$ 7,500.00	$ 45,000
TOTAL				**$ 635,950**

Source: IMEx, 2017.

25 References (Item 27)

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26 Glossary

26.1 Mineral Resources

The mineral resources and mineral reserves have been classified according to the "CIM Standards on Mineral Resources and Reserves: Definitions and Guidelines" (November 27, 2010). Accordingly, the Resources have been classified as Measured, Indicated or Inferred, the Reserves have been classified as Proven, and Probable based on the Measured and Indicated Resources as defined below.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

26.2 Mineral Reserves

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A 'Probable Mineral Reserve' is the economically mineable part of an Indicated, and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility

Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A 'Proven Mineral Reserve' is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

26.3 Glossary

The following general mining terms may be used in this report.

Table 26.3.1: Glossary

Term	Definition
Assay:	The chemical analysis of mineral samples to determine the metal content.
Dip:	Angle of inclination of a geological feature/rock from the horizontal.
Fault:	The surface of a fracture along which movement has occurred.
Grade:	The measure of concentration of gold within mineralized rock.
Igneous:	Primary crystalline rock formed by the solidification of magma.
Lithological:	Geological description pertaining to different rock types.
Ore Reserve:	See Mineral Reserve.
Sedimentary:	Pertaining to rocks formed by the accumulation of sediments, formed by the erosion of other rocks.
Stratigraphy:	The study of stratified rocks in terms of time and space.
Strike:	Direction of line formed by the intersection of strata surfaces with the horizontal plane, always perpendicular to the dip direction.
Sulfide:	A sulfur bearing mineral.
Thickening:	The process of concentrating solid particles in suspension.

26.4 Abbreviations

The following abbreviations may be used in this report.

Table 26.4.1

Abbreviation	Unit or Term
a	year
AA	atomic absorption
Ag	Silver
Au	Gold
AuEq	gold equivalent grade
°C	degrees Centigrade
cm	Centimeter
cm^2	square centimeter
cm^3	cubic centimeter
CRec	core recovery
CTW	calculated true width

Abbreviation	Unit or Term
°	degree (degrees)
dia.	Diameter
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
FA	fire assay
ft	foot (feet)
ft^2	square foot (feet)
ft^3	cubic foot (feet)
g	Gram
gal	Gallon
g/L	gram per liter
g/t	grams per tonne
ha	Hectares
ICP	induced couple plasma
K	Potassium
kg	Kilograms
km	Kilometer
km^2	square kilometer
L	Liter
Li	Lithium
L/sec	liters per second
L/sec/m	liters per second per meter
lb	Pound
LOI	Loss On Ignition
m	Meter
m^2	square meter
m^3	cubic meter
masl	meters above sea level
mg/L	milligrams/liter
mm	Millimeter
mm^2	square millimeter
mm^3	cubic millimeter
NI 43-101	Canadian National Instrument 43-101
OSC	Ontario Securities Commission
oz	troy ounce
%	Percent
ppb	parts per billion
ppm	parts per million
QA/QC	Quality Assurance/Quality Control
RC	rotary circulation drilling
µS	microSiemens
y	Year

Appendices

Appendix A: Certificate of Author

CERTIFICATE of AUTHOR

This certificate of author applies to the accompanying report entitled "NI 43-101 Technical Report, Property of Merit Report, Terra Cotta Project, Salar de Pocitos, Northwestern Argentina", and dated August 9, 2017"

I, Rodrigo Calles-Montijo, residing in Via Scandiana No. 8, Fracc. Palermo, Hermosillo, Sonora, Mexico, C.P. 83104, do hereby certify that:

a) I am General Administrator and Principal Consultant of the firm Servicios Geológicos IMEx, S.C, residing in Blvd. Morelos No. 389, Local 5 Altos, Hermosillo, Sonora, Mexico, C.P. 83148.

b) I am graduate from the Universidad Autonoma de Chihuahua in 1986, with a Master Degree for the University of Sonora in 1999, owner and working for Servicios Geológicos IMEx as General Administrator and Principal Consultant, since 2009.

c) I have 30 years of experience in exploration and evaluation of mineral deposits, including metallic and non-metallic deposits in several countries around the world.

d) I have experience in evaluation of diverse types of lithium deposits, including brine deposits in Argentina and Bolivia, and Lithium-clays hosted deposits in Serbia and México.

e) I have personally inspected the project site from 15th, 17th and 18th January 2017.

f) I am author of this report and accept professional responsibility for all sections in this technical report, except section 20.

g) I am Certified Professional Geologists in a good standing with American Institute of Professional Geologist with certificate number 11567.

h) I am a qualified person, independent of the issuer as defined in section 5.1 of the National Instrument 43-101.

i) Servicios Geológicos IMEx, S.C., and independent Mexican consulting firm was retained by Pure Energy Minerals, Ltd to prepare this Project of Merit Report. Our report was completed using the CIM "Best Practices" and Canadian Security Administrator National Instrument 43-101 guidelines.

j) I have no received, nor do I expect to receive, any interest, directly or indirectly in Pure Energy Minerals Ltd.;

k) I had no involvement with in Pure Energy Minerals Ltd, property prior to the commencement of assembly of this technical report.

l) That as the date of this technical report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

m) I consent the filing of the technical report with any stock exchange and any other regulatory authority and any publication for regulatory purposes, including electronic publication in the public company files on their websites accessible to the public of extract from technical report.

Dated this 9th day of August, 2017

Rodrigo Calles-Montijo, Msc, CPG

CERTIFICATE of AUTHOR

This Certificate of Author has been prepared to meet the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects as published 09 May 2016, Part 8.1. This certificate applies to the "NI 43-101 Technical Report, Property of Merit Report, Terra Cotta Project, Salar de Pocitos, Northwestern Argentina" herein referred to as the "Technical Report," dated August 9, 2017.

I, Dawn Garcia, hereby certify that:

a) I reside at 8261 East Placita del Oso, Tucson, Arizona 85750, USA.

b) I am a graduate from Bradley University in Peoria, Illinois, with a Bachelor of Art, Geological Sciences (1981) and from California State University with a Master of Sciences, Geology (Hydrogeology Emphasis) (1995). I have practiced my profession continuously since 1985. I am an independent consultant.

c) I am a licensed Professional Geologist in Arizona (License No. 26034), Alaska (License No. 610), and California (License No. 5425) and a Certified Professional Geologist registered with the American Institute of Professional Geologists (Membership No. CPG-8313). I am also a registered member of the Society for Mining, Metallurgy & Exploration (Membership No. 4135993).

d) I am a qualified person for the purpose of NI 43-101 with regards to Environmental, Permitting, Social, and water-related aspects. I have worked as an environmental Geologist and Hydrogeologist for 32 years since graduation. My relevant experience for the purpose of this Technical Report is:

- Acted as the Qualified Person for the "Environmental, Permitting, and Social or Community Impact" section for 9 NI 43-101-compliant technical reports.
- Conducted environmental, socio-economic, or water-related tasks for over 100 projects.

e) I have not visited the property.

f) I was responsible for Section 20.0 of the Technical Report.

g) I am independent of Pure Energy Limited, applying the definition of independence set out in Section 1.5 of NI 43-101.

h) Neither I, nor any affiliated entity of mine, is at present under an agreement, arrangement, or understanding or expects to become an insider, associate, affiliated entity, or employee of Pure Energy Minerals Limited or any associated or affiliated entities.

i) Neither I, nor any affiliated entity of mine, own—directly or indirectly—nor expect to receive any interest in the properties or securities of Pure Energy Minerals Limited or any associated or affiliated companies.

j) Neither I, nor any affiliated entity of mine, have earned the majority of our income during the preceding 3 years from Pure Energy Minerals Limited or any associated or affiliated companies.

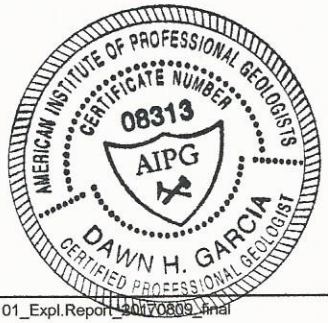
k) I have not had prior involvement with the property that is the subject of the Technical Report.

l) I have read NI 43-101, NI 43-101 CP, and Form 43-101F1 and have prepared the Technical Report in compliance with NI 43-101, NI 43-101 CP, and Form 43-101F1. I have prepared the Technical Report in conformity with generally accepted Canadian mining industry practice, and as of the date of the certificate, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 9th day of August 2017.

Dawn H Garcia

Dawn H. Garcia, P.G., CPG



Appendix B: Assay Certificates

Alex Stewart
Argentina S.A.
Official ASIC Member

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INFORME DE ANALISIS

SECCION GENERAL

Nº DE INFORME: **M179119**

ANALISIS:	**LMFQ01**	**LMFQ07**	**LMFQ08**	**LMFQ15**	**LMFQ19**	**LMCI01**	**LMCI22**	**LMCI28**
ANALISIS:	**LMMT03**	**DFR**						

CLIENTE:	Servicios Geológicos IMEx, S.C.	**Nº DE COTIZACION:**	**QE-497-1**	**FECHA RECEPCION DE MUESTRAS:**	20/01/2017
DIRECCION:	Blv. Morelos No 389, Hermosillo, Mexico	**TOTAL DE MUESTRAS:**	**8**	**FECHA RECEPCION DE INSTRUCCIONES:**	20/01/2017
SOLICITANTE:	Rodrigo Calles Montijo	**PREPARACION DE MUESTRA:**		**FECHA INGRESO AL LABORATORIO:**	20/01/2017
PROYECTO:	Servicios Geológicos IMEx, S.C.			**FECHA EMISION DE INFORME:**	08/02/2017
N° DE ENVIO:	Terracota MV- 001				

OBSERVACIONES

ABREVIATURAS

BLANCOS	ESTANDARES	TIPO DE MUESTRA		OTRAS	
BL: Blanco de limpieza de cuarzo	STD: Standard	Pun: puntual	Tri: Triplicado	BIS: Nuevo informe	ID: Identificación
BK M: Blanco de muestra	VN: Valor nominal	Dup: Duplicado	Rep: Repetición	LCS: Límite de cuantificacion superior	COD: Código
BK R: Blanco de reactivo	SD: Desviación standard	Dup C: Duplicado de cuarteo	Com: Compuesta	LC: Límite de cuantificación	LD: Límite de Detección

NOTAS

Muestreo
- Alex Stewart Argentina no se hace responsable por cualquier aspecto vinculado a las muestras antes de su entrega al laboratorio, en caso de que Alex Stewart no sea el extractor de las mismas.
- Los resultados de los análisis de las muestras extraídas por el cliente, pertenecen solo a las muestras en el estado de las mismas al momento de su ingreso a Alex Stewart Argentina y a partir de la fecha de recep

Almacenaje
- Los rechazos de muestras sólidas recibidas en ASA Argentina serán almacenadas sin costo durante 3 meses. Para muestras líquidas de salmueras al cabo de 45 días de reportadas las muestras se devolverán a
- Para muestras sólidas, a partir de esa fecha se cobrará el almacenaje (precios de P-40), salvo que se reciban instrucciones contrarias.
- El cliente puede retirar las muestras de nuestras instalaciones o solicitar su eliminación según procedimientos ambientales aceptados a costo al cliente, siendo él responsable absoluto de la disposición final de las
- Alex Stewart Argentina no se responsabiliza por alteraciones o daños que naturalmente puedan ocurrirle a las muestras. Las muestras devueltas al clientes carecen de la adición de cualquier substancia o materia

Informe
- Alex Stewart Argentina no se hace cargo por el uso que se de a los resultados obtenidos de nuestros servicios.
- El Cliente puede publicar los informes solo en forma completa y aclarando quien es el emisor de los mismos. Para su reproducción parcial deberá solicitar autorizacion a Alex Stewart Argentina
- Alex Stewart Argentina podrá usar para fines estadísticos los resultados de los informes de análisis.
- Escapa a la responsabilidad de Alex Stewart Argentina la evaluación que pueda surgir sobre la aplicación de los resultados emitidos en nuestros Informes de Ensayos.
- Los informes preliminares previamente emitidos bajo este mismo número de informe quedan reemplazados por el presente informe analítico final.
- Se procede a informar solamente los resultados que estén enmarcados dentro del rango de validación o entre el LD y el LCS y a los destinatarios que él explícitamente autorice.
- Para Au4-30 el

Límite de Cuantificación es: LC = 0.06 mg/kg
valores informados por debajo del LC tienen estadísticamente un grado de confiabilidad menor.

- Para lecturas de Cr, Cu, Fe, Mn, Mo y Ni por ICP: Los límites de detección declarados son solo instrumentales, no involucran el tratamiento de la muestra.
- Los

QA / QC
- Aspectos concernientes a las validaciones metodológicas, sesgo, precisión e incertidumbres asociadas, pueden ser solicitados por el cliente a Alex Stewart Argentina.
- Los Límites de cuantificación informados corresponden a los obtenidos en los procesos de validación del método, pueden variar según la matriz y concentración de la muestra.
- Las Curvas de Calibración empleadas en las metodologías de análisis tienen coeficientes R^2 superiores a 0.99.

Federico Henriquez.
Gerente Lab. Geoquímico.
Alex Stewart Argentina.

Olga Herrero
Gerente Lab. ASA Maza
Alex Stewart Argentina

SECCION RESULTADOS

DETERMINACION	Sólidos Disueltos Totales (secados a 180ºC)	Sulfatos SO4=	Cloruros Cl¯	Alcalinidad Total	B	Ba
UNIDAD	mg/L	mg/L	mg/L	mg CaCO3/L	mg/L	mg/L
COD. DE ANALISIS	LMFQ08	LMCI22	LMCI01	LMFQ15	LMMT03	LMMT03
TECNICA	Grav	Grav	Volum	Volum	ICP-OES	ICP-OES
LD	10	10	5	5	1	0.01
LCS	--------	--------	--------	--------	--------	--------

Nº MUESTRA (Interna)	Nº MUESTRA (Cliente)	Tipo de Muestra	Area Interna						
363568	PTC 001	Salmuera (líq.)	Ambiental		336720	30607	174873	83	49	<0.10
363569	PTC 001 A	Salmuera (líq.)	Ambiental		334360	30475	173124	83	49	<0.10
363570	PTC 002	Salmuera (líq.)	Ambiental		341960	29042	180994	169	118	<0.10
363571	PTC 004	Salmuera (líq.)	Ambiental		54360	6561	25794	375	26	<0.10
363572	PTC 006	Salmuera (líq.)	Ambiental		101920	6783	53773	65	46	<0.10
363573	PTC 007	Salmuera (líq.)	Ambiental		76680	3452	42407	142	36	<0.10
363574	PTC 007 A	Salmuera (líq.)	Ambiental		76740	3496	42407	147	35	<0.10
363575	PTC 008	Salmuera (líq.)	Ambiental		212	18	13	130	<1	0.19

SECCION RESULTADOS

DETERMINACION	Ca	Fe	K	Li	Mg	Mn	Na
UNIDAD	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
COD. DE ANALISIS	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03
TECNICA	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES
LD	2	0.3	2	1	1	0.01	2
LCS	--------	--------	--------	--------	--------	--------	--------

Nº MUESTRA (Interna)	Nº MUESTRA (Cliente)	Tipo de Muestra	Area Interna							
363568	PTC 001	Salmuera (líq.)	Ambiental		294	<3.0	1984	61	169	<0.10	112158
363569	PTC 001 A	Salmuera (líq.)	Ambiental		297	<3.0	2038	61	169	<0.10	112161
363570	PTC 002	Salmuera (líq.)	Ambiental		281	<3.0	1482	34	342	<0.10	116133
363571	PTC 004	Salmuera (líq.)	Ambiental		1047	<3.0	696	16	278	0.13	17440
363572	PTC 006	Salmuera (líq.)	Ambiental		1453	<3.0	1402	29	249	<0.10	31301
363573	PTC 007	Salmuera (líq.)	Ambiental		879	<3.0	738	19	262	<0.10	25643
363574	PTC 007 A	Salmuera (líq.)	Ambiental		886	<3.0	737	19	265	<0.10	24914
363575	PTC 008	Salmuera (líq.)	Ambiental		38	<0.3	2	<1	9	<0.01	25

SECCION RESULTADOS

DETERMINACION	Sr	Conductividad	Densidad	pH	Sólidos Totales (secados a 103ºC)
UNIDAD	mg/L	µS/cm	g/ml	Unidades de pH	mg/L
COD. DE ANALISIS	LMMT03	LMFQ01	LMFQ19	LMCI28	LMFQ07
TECNICA	ICP-OES	Instrum	Grav	ISE	Grav
LD	0.5	5	0.001	0.1	10
LCS	--------	--------	--------	--------	--------

Nº MUESTRA (Interna)	Nº MUESTRA (Cliente)	Tipo de Muestra	Area Interna					
363568	PTC 001	Salmuera (líq.)	Ambiental		7.3	232100	1.2229	7.5	337860
363569	PTC 001 A	Salmuera (líq.)	Ambiental		7.2	232400	1.2207	7.5	344480
363570	PTC 002	Salmuera (líq.)	Ambiental		<5.0	233000	1.2114	7.7	388060
363571	PTC 004	Salmuera (líq.)	Ambiental		15.8	73400	1.0426	7.0	92730
363572	PTC 006	Salmuera (líq.)	Ambiental		14.4	128600	1.0733	7.9	103760
363573	PTC 007	Salmuera (líq.)	Ambiental		16.3	104100	1.0550	7.7	81500
363574	PTC 007 A	Salmuera (líq.)	Ambiental		16.2	104200	1.0560	7.7	79680
363575	PTC 008	Salmuera (líq.)	Ambiental		<0.5	318	1.0015	8.0	332

SECCION QA - QC

DETERMINACION	Sólidos Disueltos Totales (secados a 180ºC)	Sulfatos SO4=	Cloruros Cl⁻	Alcalinidad Total	B	Ba	Ca
UNIDAD	mg/L	mg/L	mg/L	mg CaCO3/L	mg/L	mg/L	mg/L
COD. DE ANALISIS	LMFQ08	LMCI22	LMCI01	LMFQ15	LMMT03	LMMT03	LMMT03
TECNICA	Grav	Grav	Volum	Volum	ICP-OES	ICP-OES	ICP-OES
LD	10	10	5	5	1	0.01	2
LCS	--------	--------	--------	--------	--------	--------	--------

Prefijo (ASA)	Identificación	RESULTADO						
DUP	PTC 006	101580	6717	53773	59	46	<0.10	1424

SECCION QA - QC

	DETERMINACION	Fe	K	Li	Mg	Mn	Na	Sr
	UNIDAD	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L	mg/L
	COD. DE ANALISIS	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03	LMMT03
	TECNICA	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES	ICP-OES
	LD	0.3	2	1	1	0.01	2	0.5
	LCS	--------	--------	--------	--------	--------	--------	--------
Prefijo (ASA)	Identificación	RESULTADO						
DUP	PTC 006	<3.0	1401	29	243	<0.10	31456	14.5

SECCION QA - QC

	DETERMINACION	Conductividad	Densidad	pH	Sólidos Totales (secados a 103ºC)
	UNIDAD	µS/cm	g/ml	Unidades de pH	mg/L
	COD. DE ANALISIS	LMFQ01	LMFQ19	LMCI28	LMFQ07
	TECNICA	Instrum	Grav	ISE	Grav
	LD	5	0.001	0.1	10
	LCS	--------	--------	--------	--------
Prefijo (ASA)	Identificación				
DUP	PTC 006	--------	1.074	--------	110280