TECHNICAL REPORT ON THE NSP LITHIUM CLAIM GROUP,
ESMERALDA COUNTY, NEVADA, U.S.A.

CENTRAL GEOGRAPHICAL COORDINATES :

117º 33’ 39.92”; 37º 48’ 41.30”

Prepared for:

Royce Resources Corp.
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Report Date: November 10, 2015 Effective Date: November 10, 2015



Author during field visit in Sec. 28, T. 1 S., R. 40 E., MDBM.

GENERAL PROPERTY VIEW LOOKING SOUTHERLY

CERTIFICATION PAGE

I, William C. Feyerabend, Jr., do certify that:

1) I am a consulting geologist located at 4218 Kachina Way, Prescott Valley, AZ 86314
2) The title of this report is "*Technical Report on the NSP Lithium Claim Group, Esmeralda County, Nevada, U.S.A.*" dated November 10, 2015.
3) I graduated with a Bachelor of Science degree from the University of Southern California in 1972. I am a member in good standing of the American Institute of Professional Geologists. I have worked as a geologist for a total of over 30 years since my graduation from university. That experience includes three years of exploring for borates in the basins of the Mohave Desert, California and three year's exposure to lithium exploration in Esmeralda County, NV and several years drilling basin fill sediments while exploring for gold deposits in Nevada, Arizona and California. I am the author of three earlier technical reports on adjacent lithium properties, two of which were used for fundamental transactions. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101..
4) For the current report, I spent the day of August 17, 2015 on the Property.
5) I am responsible for the entire contents of this report.
6) I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101
7) I am independent of the vendor, Clayton Valley Lithium, Inc. and GeoXplor Corp. applying all of the tests in Section 1.5 of NI 43-101.
8) I have had no previous involvement with the Property which is the subject of this report.
9) I have read NI 43-101 and Form 43-101F1, and this Technical Report has been prepared in compliance with that instrument and form.
10) As of the effective date of this 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.
11) This report is addressed to: Royce Resources Corp.
12) I have read this document and that it fairly and accurately represents the information in the report.

November 10, 2015



William C. Feyerabend, Jr.

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1. SUMMARY

The NSP claim group is located in Clayton Valley, Esmeralda County, Nevada. Clayton Valley is an anomaly in several senses. It is in the center of lithium-enriched rocks and waters related to rhyolitic volcanism and associated hot springs which occur hundreds of square miles. It has been an intact basin receiving fluids for millions of years which are still at shallow depths because the valley is a stable knot in the dynamic Walker Lane and Basin and Range tectonic terrain. It is one basin where there are geologic arguments that lithium can be delivered via different processes to various reservoir rocks.

It is also the site since 1966 of the only lithium brine production operation in North America. Since the beginning, limits have been put on the district potential both vertically and horizontally which where were, in fact, only the limits of human knowledge. The number of publically acknowledged producing aquifers has now grown from one to six. As discussed in more detail in 23.0 Adjacent Properties, Pure Energy Minerals has recently released an inferred resource for their Clayton Valley South Project located south across a "bounding fault."

The 77 NSP placer claims covering 1540 acres were staked by Clayton Valley Lithium Inc. and are in good standing on federal lands managed by the Bureau of Land Management. The claims are contiguous to private lands and placer claims belonging to the lithium production facility of Albemarle Corporation. Historic drill information and geophysical surveys show the Property covers basin-fill sediments which are similar to the sediments currently producing lithium brines.

The issuer, Royce Resources Corp., has the right by making staged payments and work commitments of earning a one hundred (100%) percent interest in the NSP claims.

Two Albemarle production wells lie along the boundary. Two holes are proposed within the NSP claims as offsets to the production wells to test the complete stratigraphic section. Drilling and exploration are active in the basin and both the drilling process in the soft sediments and the permitting process

are established. The direct cost of the proposed program is projected to be $836,000.

Further work would depend upon the results of the proposed program and would fall under a separate budget.

2. INTRODUCTION

At the request of Royce Resources Corp. (the "Company"), William Feyerabend has been retained to prepare a technical report ("the Report") specific to the standards dictated by National Instrument 43-101 and Form 43-101F (Standards of Disclosure for Mineral Projects) with respect to the NSP claim group located in Esmeralda County, Nevada ("the Property").

This report summarizes the results of earlier work completed by companies and government agencies. William Feyerabend understands that the Company will use the Report for reporting purposes.

The Company is a Canadian corporation domiciled at Suite 3123, 595 Burrard Street; PO Box 49139, Three Bentail Center; Vancouver, BC V7X 1J1, CANADA.

William Feyerabend is a consulting geologist with over thirty years of experience at all levels of exploration and development for several commodities in eleven countries. He has been a member of AIPG since 2008 and has been designated by the AIPG as CPG-111047. He provides his services through his office in Prescott Valley, Arizona.

Feyerabend was onsite August 17, 2015.

This report uses a combination of metric and United States customary units. US dollars are used for budgeting.

1 acre = 0.405 hectares

1 ton = 0.907 metric tonnes

1 foot = 0.305 meters

1 US gallon = 3.785 liters. Flow rates measured in gallons per minute or gpm.

1 mile = 1.609 kilometers

1 mile squared = 2.59 kilometers squared

1 ppm (part per million) = 1 milligram/liter

The **Public Land Survey System** is used to identify land parcels in Nevada. From a designated initial point, Mt. Diablo (MDBM) near San Francisco for Esmeralda County, a baseline was surveyed east-west

and principal meridian drawn north-south. Township is the measure north or south from the initial point in six mile increments and range is the measure of distance east or west from the initial point in six mile increments. This divided the land into 36 square mile plots which also were called townships. Each square mile defines a section. Each section can be subdivided further as needed such as the NE ¼ of the NW ¼, etc.

Lithium carbonate equivalent (LCE) is often used in business parlance because elemental lithium is unstable. Lithium is often sold in the form of lithium carbonate (Li_2CO_3) which is about 18.8% lithium by mass.

Elevated lithium concentrations often occur in **brines** for reasons described in section 7. A brine is a salt solution either saturated or containing a large amount (>5% by weight) of salt (typically NaCl). A typical range is 5 – 26 weight percent salt which is equivalent to 50,000 – 260,000 ppm. Useful field measurements when working with brines are density, pH, specific gravity, total dissolved solids (TDS) and conductivity.

UTM – Abbreviation for Universal Transverse Mercator coordinate system. Field measurements are in NAD27 US Zone 11.

3. RELIANCE ON OTHER EXPERTS

The scope of this report does not include verification of mineral title or compliance with laws and regulations.

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Neither the author of this Report nor any family members have any financial interest in the outcome of any transaction involving the Property other than the payment of normal professional fees for the work undertaken in the preparation of this Report, which is based upon daily rate charge and reimbursement of expenses. William Feyerabend is independent of Clayton Valley Lithium Inc., GeoXplor Corp. and Royce Resources Corp. The payment of such fees is not dependent upon the content or conclusions of either this Report or consequences of any proposed transaction.

The statements and opinions expressed in this Report are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

William Feyerabend's opinion is provided solely for the purposes outlined in the Introduction section of this report. Feyerabend reserves the right, but will

not be obliged to, revise this Report and the conclusions therein if additional information becomes known to the author subsequent to the date of this report.

To the best of the author's knowledge, there are no known environmental liabilities to which the Property is subject.

4. PROPERTY DESCRIPTION AND LOCATION

The Property is located in south central Esmeralda County, Nevada (Figure 1) approximately 190 miles northwest of Las Vegas, NV and the same distance southeast of Reno, NV.

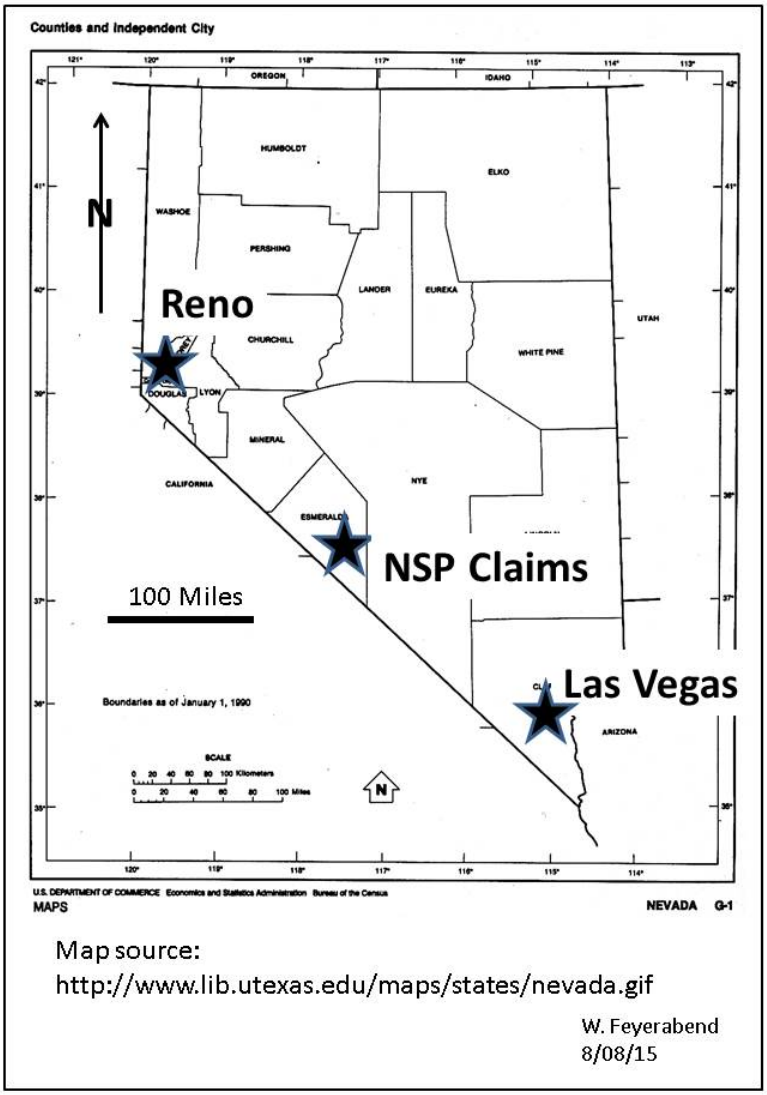


Figure 1. Location Map - State Scale

The placer claims are located generally on the north central edge of Clayton Valley playa about 15 miles west-northwest of the county seat of Goldfield, NV, approximately 30 miles southwest of Tonopah, NV, the major commercial center for the region; and 6 miles northeast of the village of Silver Peak (Figure 2).

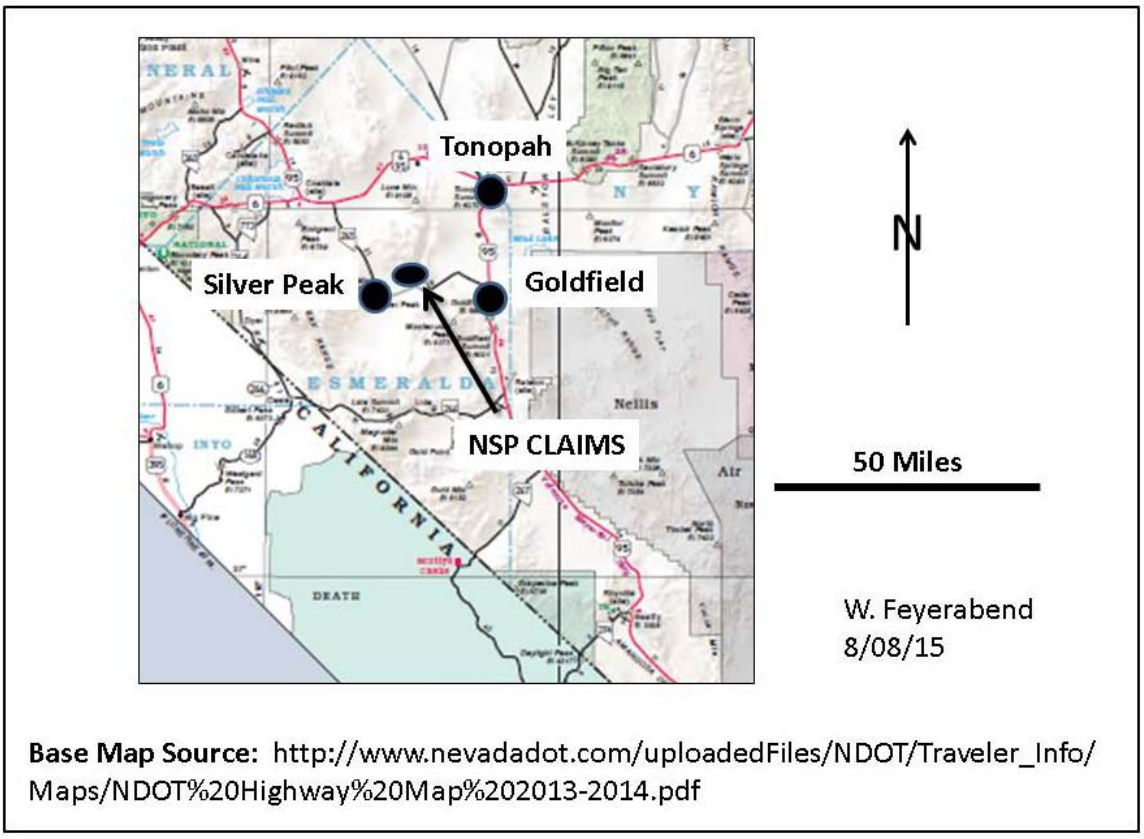


Figure 2. Location Map - County Scale.

A central coordinate for the Property is UTM system NAD27 (US) Zone 11S, 450692, 4184604. The seventy seven Property placer mining claims are in Sections 27, 28, 29, 30 and 31; T. 1 S., R. 40 E., MDBM (Figure 3).

The Property covers a total of 1540 acres. It consists of a total of seventy seven (77) placer claims (Figure 3). The claims are the NSP-1 thru NSP-36 and NSP-50 thru NSP-90 placer claims. Each claim covers approximately 20 acres and was laid out by aliquot parts as required by the Bureau of Land Management.

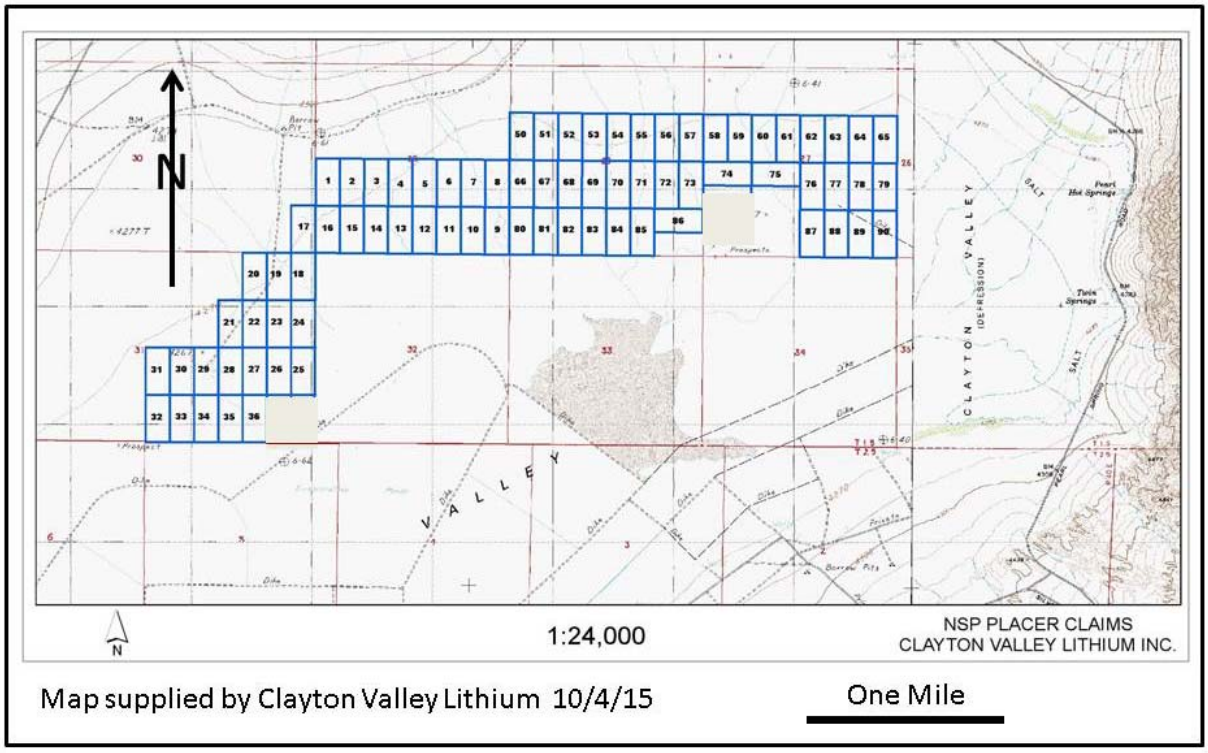


Figure 3. Claim Map.

Nevada State law (NRS 517.030) requires that the locator place a monument at the discovery point and within 90 days must place a monument at each corner (Papke, K. and Davis, D., 2002) to define the boundaries. A suitable monument is a wooden post which is 1 ½ X 1 ½ inches square and 4 feet long. All posts must be marked by their position on the claim. A placer claim must conform to the boundaries of a section or legal subdivision (aliquot part) of the section.

Posts were noted in the course of the field work (Figure 4). All fit the requirements of the law. Checked location monuments had required paperwork (Figure 5).



Figure 4. NSP Claim Posts. Found in Sec. 31, T. 1 S., R. 40 E.

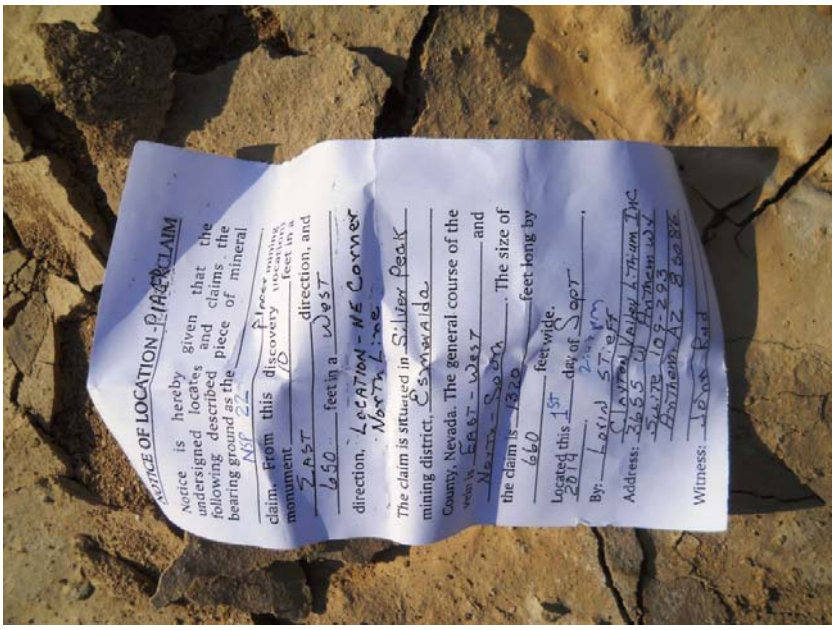


Figure 5. Location Notice. NSP-22. Sec. 31, T. 1 S., R. 40 E.

The NSP placer claims are located on Federal lands managed by the Bureau of Land Management (Figure 6). As public lands, there is right of free access and both surface and mineral rights are held by the Federal government. Public records (Management, Bureau of Land) and an inquiry in the Tonopah field office show no military withdrawals or Areas of Critical Environmental Concern. The Silver Peak Wilderness Study Area touches on the west edge of

the Clayton Valley basin and should have no affect. There are some patented mining claims (private land) in the mountains which are not shown because they are small and have complicated boundaries. Those should have no affect. The main plot of private land which affects the Property is the parcel of private land on the playa belonging to the current Albemarle operation. Albemarle also holds a ring of placer claims on the north edge of the private lands which amplifies their holdings. There also are two blocks of land approximately 10 miles to the south and southwest with surface restrictions, none of which should affect the claims.

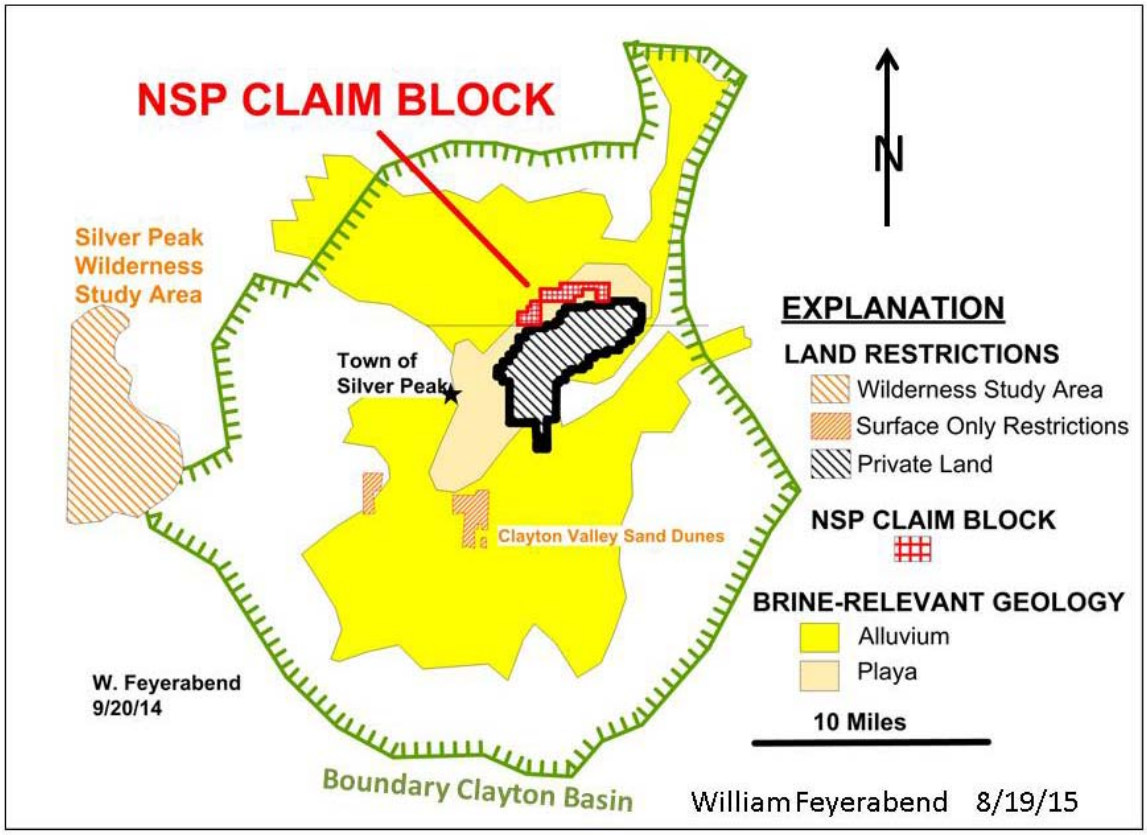


Figure 6. Surface Land Status.

Lithium is a locatable mineral according to the Code of Federal Regulations (Bays, 2011). Lithium should be located by lode claims where it occurs in bedrock and by placer claims where it occurs in sediments. A body of legal precedence set during the original development of lithium brines in the area provides that lithium in valley sediments by nature of the unconsolidated host rock are staked by and produced from placer claims. It should be noted that potash, which often occurs with lithium in the area, is only a leasable

commodity (See Code of Federal Regulations Subpart 3501 - http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&rgn=div6&view=text&node=43:2.1.1.3.64.1&idno=43).

In Nevada the claim staking procedure requires recording documents with both the county Recorder's Office and then with the state Bureau of Land Management office in Reno.

Table 1 lists the following documents found during the field examination which are on file in the Esmeralda County Recorder's Office.

Doc. #	Map File	Doc. Type	Date	Claims	Notes
0194158-194182	194183	Cert. Location	6/6/2015	NSP 66-90	
194183		Mining Map	6/16/2015	NSP 66-90	
194287		Intent to Hold	7/27/2015	NSP 1-36, NSP 50-90	
0192858-192895		Cert. Location	11/13/2014	NSP 1-38	
192896		Mining Map	11/3/2014	NSP 1-38	COL 192858-192895

Table 1. Documents Recorded with Esmeralda County.

Mining claims on Federal land are held to a September 1 to August 31 assessment year when Intent to Hold or Proof of Labor documents need to be filed with the county for the annual assessment work. The pertinent documents on file with the Esmeralda County Recorder's Office are tabulated above.

The current annual maintenance fee is $155 per 20 acre (or a portion thereof) placer claim (http://www.blm.gov/ca/st/en/info/iac/miningfacts.html). Payment of those fees allows the claim to stay on the BLM active data base. Non-payment results in the claims moving to 'closed' status.

The BLM interactive website LR2000 (http://www.blm.gov/lr2000/, accessed 8/20/15) shows that the claims have been assigned AMC numbers which represents that all the documents have been recorded and the fees paid (Table 2). Therefore the claims are 'active.'

CLAIM	T1S, R40E SECTION	DATE LOCATION	COUNTY DOCUMENT #	COUNTY RECORD DATE	BLM RECORD DATE	BLM AMC #
NSP-1	Sec. 29	9/2/2014	192858	11/3/2014	11/7/2014	1105525
NSP-2	Sec. 29	9/2/2014	192859	11/3/2014	11/7/2014	1105526
NSP-3	Sec. 29	9/2/2014	192860	11/3/2014	11/7/2014	1105527
NSP-4	Sec. 29	9/2/2014	192861	11/3/2014	11/7/2014	1105528
NSP-5	Sec. 29	9/2/2014	192862	11/3/2014	11/7/2014	1105529
NSP-6	Sec. 29	9/2/2014	192863	11/3/2014	11/7/2014	1105530
NSP-7	Sec. 29	9/2/2014	192864	11/3/2014	11/7/2014	1105531
NSP-8	Sec. 29	9/2/2014	192865	11/3/2014	11/7/2014	1105532
NSP-9	Sec. 29	9/2/2014	192866	11/3/2014	11/7/2014	1105533
NSP-10	Sec. 29	9/2/2014	192867	11/3/2014	11/7/2014	1105534
NSP-11	Sec. 29	9/2/2014	192868	11/3/2014	11/7/2014	1105535
NSP-12	Sec. 29	9/2/2014	192869	11/3/2014	11/7/2014	1105536
NSP-13	Sec. 29	9/2/2014	192870	11/3/2014	11/7/2014	1105537
NSP-14	Sec. 29	9/2/2014	192871	11/3/2014	11/7/2014	1105538
NSP-15	Sec. 29	9/2/2014	192872	11/3/2014	11/7/2014	1105539
NSP-16	Sec. 29	9/2/2014	192873	11/3/2014	11/7/2014	1105540
NSP-17	Sec. 30	9/2/2014	192874	11/3/2014	11/7/2014	1105541
NSP-18	Sec. 31	9/2/2014	192875	11/3/2014	11/7/2014	1105542
NSP-19	Sec. 31	9/2/2014	192876	11/3/2014	11/7/2014	1105543
NSP-20	Sec. 31	9/2/2014	192877	11/3/2014	11/7/2014	1105544
NSP-21	Sec. 31	9/2/2014	192878	11/3/2014	11/7/2014	1105545
NSP-22	Sec. 31	9/2/2014	192879	11/3/2014	11/7/2014	1105546
NSP-23	Sec. 31	9/2/2014	192880	11/3/2014	11/7/2014	1105547
NSP-24	Sec. 31	9/2/2014	192881	11/3/2014	11/7/2014	1105548
NSP-25	Sec. 31	9/2/2014	192882	11/3/2014	11/7/2014	1105549
NSP-26	Sec. 31	9/2/2014	192883	11/3/2014	11/7/2014	1105550
NSP-27	Sec. 31	9/2/2014	192884	11/3/2014	11/7/2014	1105551
NSP-28	Sec. 31	9/2/2014	192885	11/3/2014	11/7/2014	1105552
NSP-29	Sec. 31	9/2/2014	192886	11/3/2014	11/7/2014	1105553
NSP-30	Sec. 31	9/2/2014	192887	11/3/2014	11/7/2014	1105554
NSP-31	Sec. 31	9/2/2014	192888	11/3/2014	11/7/2014	1105555
NSP-32	Sec. 31	9/2/2014	192889	11/3/2014	11/7/2014	1105556
NSP-33	Sec. 31	9/2/2014	192890	11/3/2014	11/7/2014	1105557
NSP-34	Sec. 31	9/2/2014	192891	11/3/2014	11/7/2014	1105558
NSP-35	Sec. 31	9/2/2014	192892	11/3/2014	11/7/2014	1105559
NSP-36	Sec. 31	9/2/2014	192893	11/3/2014	11/7/2014	1105560
NSP-50	Sec. 28	4/15/2015	194120	6/8/2015	6/12/2015	1111227
NSP-51	Sec. 28	4/15/2015	194121	6/8/2015	6/12/2015	1111228
NSP-52	Sec. 28	4/15/2015	194122	6/8/2015	6/12/2015	1111229
NSP-53	Sec. 28	4/15/2015	194123	6/8/2015	6/12/2015	1111230
NSP-54	Sec. 28	4/15/2015	194124	6/8/2015	6/12/2015	1111231
NSP-55	Sec. 28	4/15/2015	194125	6/8/2015	6/12/2015	1111232
NSP-56	Sec. 28	4/15/2015	194126	6/8/2015	6/12/2015	1111233
NSP-57	Sec. 28	4/15/2015	194127	6/8/2015	6/12/2015	1111234
NSP-58	Sec. 27	4/15/2015	194128	6/8/2015	6/12/2015	1111235
NSP-59	Sec. 27	4/15/2015	194129	6/8/2015	6/12/2015	1111236
NSP-60	Sec. 27	4/15/2015	194130	6/8/2015	6/12/2015	1111237
NSP-61	Sec. 27	4/15/2015	194131	6/8/2015	6/12/2015	1111238
NSP-62	Sec. 27	4/15/2015	194132	6/8/2015	6/12/2015	1111239
NSP-63	Sec. 27	4/15/2015	194133	6/8/2015	6/12/2015	1111240
NSP-64	Sec. 27	4/15/2015	194134	6/8/2015	6/12/2015	1111241
NSP-65	Sec. 27	4/15/2015	194135	6/8/2015	6/12/2015	1111242
NSP-66	Sec. 28	5/1/2015	194158	6/16/2015	6/18/2015	1111264
NSP-67	Sec. 28	5/1/2015	194159	6/16/2015	6/18/2015	1111265
NSP-68	Sec. 28	5/1/2015	194160	6/16/2015	6/18/2015	1111266
NSP-69	Sec. 28	5/1/2015	194161	6/16/2015	6/18/2015	1111267
NSP-70	Sec. 28	5/1/2015	194162	6/16/2015	6/18/2015	1111268
NSP-71	Sec. 28	5/1/2015	194163	6/16/2015	6/18/2015	1111269
NSP-72	Sec. 28	5/1/2015	194164	6/16/2015	6/18/2015	1111270
NSP-73	Sec. 28	5/1/2015	194165	6/16/2015	6/18/2015	1111271
NSP-74	Sec. 27	5/1/2015	194166	6/16/2015	6/18/2015	1111272
NSP-75	Sec. 27	5/1/2015	194167	6/16/2015	6/18/2015	1111273
NSP-76	Sec. 27	5/1/2015	194168	6/16/2015	6/18/2015	1111274
NSP-77	Sec. 27	5/1/2015	194169	6/16/2015	6/18/2015	1111275
NSP-78	Sec. 27	5/1/2015	194170	6/16/2015	6/18/2015	1111276
NSP-79	Sec. 27	5/1/2015	194171	6/16/2015	6/18/2015	1111277
NSP-80	Sec. 28	5/1/2015	194172	6/16/2015	6/18/2015	1111278
NSP-81	Sec. 28	5/1/2015	194173	6/16/2015	6/18/2015	1111279
NSP-82	Sec. 28	5/1/2015	194174	6/16/2015	6/18/2015	1111280
NSP-83	Sec. 28	5/1/2015	194175	6/16/2015	6/18/2015	1111281
NSP-84	Sec. 28	5/1/2015	194176	6/16/2015	6/18/2015	1111282
NSP-85	Sec. 28	5/1/2015	194177	6/16/2015	6/18/2015	1111283
NSP-86	Sec. 28	5/1/2015	194178	6/16/2015	6/18/2015	1111284
NSP-87	Sec. 27	5/1/2015	194179	6/16/2015	6/18/2015	1111285
NSP-88	Sec. 27	5/1/2015	194180	6/16/2015	6/18/2015	1111286
NSP-89	Sec. 27	5/1/2015	194181	6/16/2015	6/18/2015	1111287
NSP-90	Sec. 27	5/1/2015	194182	6/16/2015	6/18/2015	1111288

Table 2. Claim Data Taken from LR2000.

While there is free access to the Federal land in Clayton Basin and there are no restrictions on casual prospecting, drilling triggers the permitting process. There are two major levels of permitting: Notice of Intent (NOI) and Plan of Operations (POO). Historically, if the proposed disturbance was less than 5 acres or 1,000 tons, then the work can proceed under a NOI if there are no complications such as ancient ruins or endangered species. Application for a NOI is relatively simple with requirements like bonding the access route and re-seeding afterwards. A NOI is valid for two years and may be renewed on a two year basis. Maintaining it requires maintaining bonds and seeding disturbed areas when the work is complete. A POO is more complicated with requirements like an archeological survey, environmental assessment, etc. The BLM may respond within 15 days to a NOI application whereas a POO may require several months to years for final acceptance.

Any drilling planned will require a NOI filed with the Tonopah office of the BLM. That office was visited during the field examination to check that there were no lands with restricted access in the Project area. The office confirmed that there are none, but stated that because of the unique environment of the playa, it is possible that the district biologist may want a field check as part of review of a NOI.

The permitting process begins with a company filing to do business in Nevada with the Secretary of State's office. Filing companies are shown on their website: (http://www.nvsos.gov/Modules/ShowDocument.aspx?documentid=609).

The process for drilling may involve both the BLM field office in Tonopah, NV and the Nevada State Engineer's office in Las Vegas, NV.

Drilling requires a Notice to be filed with the BLM field office in Tonopah, NV and needs to include a reclamation cost. Information is available at: (http://www.blm.gov/nv/st/en/prog/minerals/mining.html).

1045564, a privately held company, has paid a non-refundable deposit of $40,000 to Clayton Valley Lithium, Inc. ("Clayton Valley Li"), a private group, for an option to acquire a 100% interest in the NSP claim group (the "Property"). Royce Resources Corp. (the "Company") in consideration of 5,000,000 shares of the Company has acquired all the shares of 1045564, making it a wholly owned subsidiary of the Company. On the closing date, the Company must pay $US100,000 and issue 1,000,000 common shares to Clayton Valley Li. In addition, to exercise the option and earn the 100% interest in the Property, the Company must:

- **Pay $US 250,000 in cash to Clayton Valley Li on the first, second, third and fourth anniversaries of the Closing Date:**
- **Issue to Clayton Valley Li on the first, second, third and fourth anniversaries of the Closing Date the number of shares in four equal tranches (less the 1,000,000 shares issued on the closing date) as shall represent, in the aggregate, 9.9% of the outstanding common shares of The Company as at the closing date;**

- **Incur a minimum of $US 4,500,000 in exploration expenditures on the Property over a three year period and deliver a pre-feasibility study on the Property by no later than the fourth anniversary of the Closing Date.**

On closing, it is anticipated that the Company will have approximately 22,329,063 shares outstanding. The annual share placements referenced above will therefore be approximately 302,644 shares each.

In addition, the Company has agreed to issue an additional 1,000,000 common shares to Clayton Valley Li upon completion of an inferred resource calculation that confirms the presence on the Property of a minimum of 100,000 tons LCE grading no lower than 28 ppm Li average grade, and shall pay $US 2,000,000 in cash or in common shares (or a combination) at the option of the Company upon completion of a positive economic feasibility study on the Property.

Clayton Valley Li will be granted a 2.5% royalty on revenues derived from the sale of lithium concentrate and other ores or minerals extracted from the Property and the Company has agreed to pay an additional minimum annual advance royalty of $250,000 to Clayton Valley Li commencing on the fifth anniversary of the Closing Date. The Company shall have the option of purchasing 1.5% of the royalty at any time for $US 3,000,000.

Upon Clayton Valley Li locating and recording 186 additional specified claims, the Company has agreed to acquire the claims in consideration for payment to Clayton Valley Li of $500 per claim. The Company has also agreed to make minimum exploration expenditures on 41 of the additional claims of $250,000 within two years.

In connection with the transaction, the Company has agreed to complete a concurrent financing for aggregate proceeds of $900,000, consisting of 6,000,000 common shares at $0.15 per share.

To the best of the author's knowledge, there are no known environmental liabilities to which the property is subject or other significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

There are two routes of access from Tonopah, the commercial center of the region. Both take approximately 80 minutes. The route thru Goldfield is 65 miles and thru Silver Peak is 70 miles from Tonopah.

US Highway 95 (Figure 7) is the main highway linking Las Vegas and Reno. It is a paved two lane highway kept in good condition.



Figure 7. Highway 95 at Silver Peak turnoff.

Via Goldfield, there is a turnoff from Highway 95 just north of town marked by a green highway sign pointing west to Alkali Springs and Silver Peak. The Silver Peak Road is rutted asphalt in poor shape for about 15 miles (Figure 8), turning to dust-treated good graded road about 10 miles thru the Albemarle operation to the town of Silver Peak (Figure 9).



Figure 8. Paved Silver Peak Highway.



Figure 9. Graded Silver Peak Highway.

From Tonopah, Highway 95 leads west about 34 miles to the turnoff to the south on State Highway 265 (Figure 10) about 20 miles to the village of Silver Peak.



Figure 10. State Highway 265.

From Silver Peak, there is a network of gravel base roads crisscrossing the claims (Figure 11).



Figure 11. Gravel Base Roads.

Electrical power is available to both the town of Silver Peak and the current brine operation.

5.2 Climate

Clayton Valley is in the rain shadow of the Sierra Nevada Mountains. The region is arid to almost semiarid. Winters are cold while summers are hot. Weather data for the town of Goldfield is shown on Table 3. Average annual precipitation is 3.1 inches.

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
AVG. MAX TEMP.	43.80	53.30	66.00	68.90	80.10	90.80	97.60	93.40	81.40	69.30	60.40	43.30
AVG. MIN TEMP	9.60	24.20	27.70	34.80	41.80	50.60	59.70	54.80	43.60	31.90	22.40	16.00
AVG PRECIPITATION	0.53	0.12	0.84	0.63	0	0	0	0.11	0.29	0	0.20	0.38

Source: http://climate.fizbur.com/nevada-city-goldfield-climate.html

Table 3. Average Goldfield, NV Temperatures and Precipitation.

Munk (2011) reports that in Clayton Valley the average precipitation is 13 cm/year and average evaporation is 142cm/year.

Exploration can be conducted year around, but could be challenging during some winter days because of snowfall or winter storms or the localized summer thunderstorm.

5.3 Local Resources

Silver Peak, NV (Figure 12) is the nearest civilization. It is a census-designated place with a population of a few hundred people. It is only a contact point for emergency services.



Figure 12. Silver Peak, NV.

Goldfield, NV, is the county seat for Esmeralda County (Figure 13). It has approximately four hundred inhabitants and small markets, restaurants and motels which open and close with the ups and down of the economy.



Figure 13. Goldfield, NV.

Tonopah (Figure 14) has a population of approximately 2500 and is the governmental and supply center for the region. Groceries, hardware, a bank and a choice of motels and restaurants are available there.



Figure 14. Tonopah, NV.

5.4 Infrastructure

A reasonable network of jeep, graded and paved roads connects the claim area to the rest of Nevada.

Electrical power is available at both the town of Silver Peak and the current brine operation.

The nearest rail and commercial airline service is to Las Vegas, NV approximately 190 miles to the southeast.

5.5 Physiography

The claims are located in the Basin and Range physiographic province which stretches from southern Oregon and Idaho to Mexico. It is characterized by extreme elevation changes between mountains and flat intermountain valleys or basins. Clayton Valley is a closed basin with an area of approximately 1,340 km^2. The playa proper covers about 70 km^2. The Property is on the valley floor at elevations generally of 4000 – 4500 feet, which is lower than the other neighboring valleys. The valley floor is characterized by subdued topography with washes eroding into slightly older valley-fill sediments.

The claims are located on the playa (inside cover photo) and vegetation is essentially non-existent.

There are sufficient surface rights for recovery facilities. Water in the basin is allocated, which is an item of concern should significant quantities of water be required for processing in the future. Mining personnel can be sourced mostly from the larger towns of Tonopah or Hawthorne.

6. HISTORY

Silver Peak has a long history of exploration and intermittent metal production dating back to the 1860s. Salt was produced for local use from what was then called Silver Peak Marsh. In the 1950s, Leprechaun Mining discovered high lithium in the subsurface brines while testing for potassium (Harrop, 2009). Foote Minerals acquired the property in 1964, re-configured the Silver Peak silver mill (Figure 15) for lithium and moved forward to lithium carbonate production beginning in 1966. The brines were pumped into evaporation ponds on the playa (Figure 16) and, after concentration, pumped a few miles to the mill for final treatment.



Figure 15. Lithium Mill, Silver Peak, NV.



Figure 16. Evaporation Pond.
T. 2 S., R.40 E., Sec. 18.

Foote Minerals was acquired by Cyprus Minerals Co. in 1988 and became Cyprus Foote Minerals. The Foote/Cyprus property once was considerably larger, extending south past the sand dunes and north to include the current NSP claim area. A considerable peripheral area was dropped at one point and the current NSP claim area reverted to public domain. Chemetall acquired the

the producing facilities and ground in 1998 and it became Chemetall Foote Corp. which was taken over by Rockwood Holdings in 2004. Rockwood merged with Albemarle Corporation in early 2015.

Current Albemarle placer claims bound the Property to the south.

There has been some historical drilling on the Property. There are several rusted drill hole collars scattered across the claims (see inside cover photo) which are thought to date from the Cyprus Foote ownership. Nothing is known about those holes except the depths are thought to be 300 – 500 feet and it is not known if there was any production from those holes. One hole on the Property was drilled in early 2010 by Rodinia Minerals Inc. The hole was drilled by air, not with fluids, and there was no return of chips or fluids so the hole is a data blank.

Clayton Valley Lithium Inc. is a wholly owned subsidiary of GeoXplor Corp. whose principals became interested in the lithium market in early 2007 and quickly focused on the general Clayton Valley area of southwestern Nevada where they recognized the underexplored potential of the district.

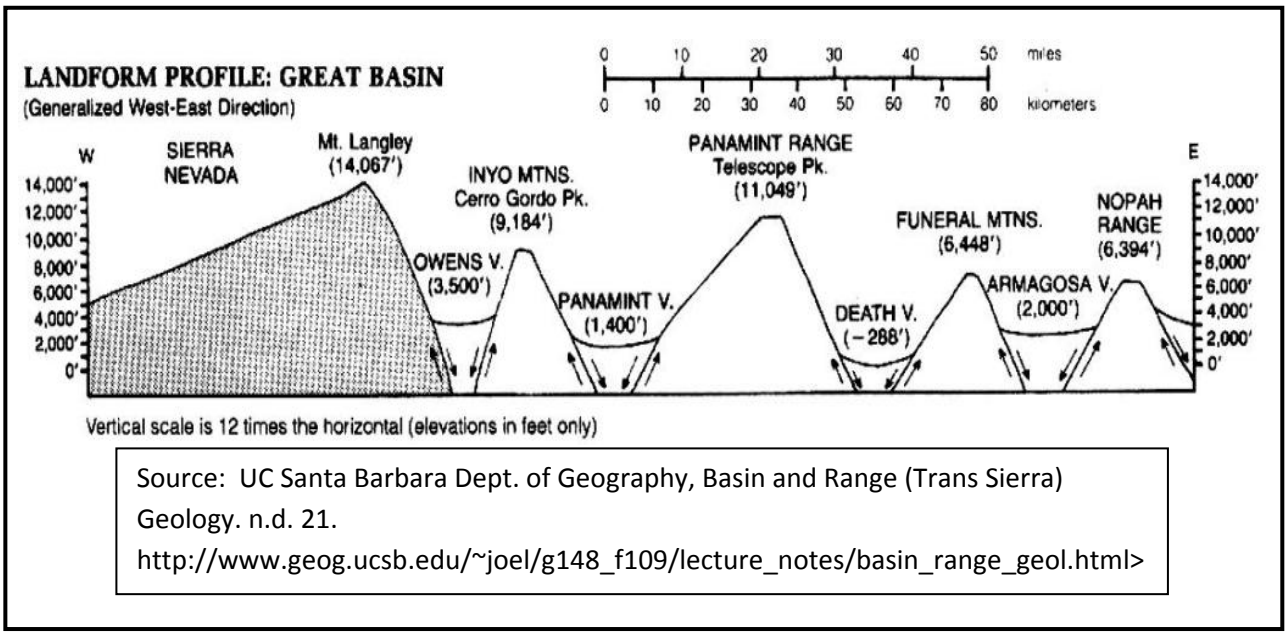
7. GEOLOGIC SETTING AND MINERALIZATION

Plate tectonics powered by crustal spreading broadly generates two types of forces: compression as plates are moved together and extension as those forces relax. Because earth forces are never equal everywhere, there are also lateral adjustments to accommodate the uneven forces.

Compression was the dominant geologic force affecting the western United States beginning about 200 million years ago as the Pacific Ocean plate moved eastward under the North American continent. Those forces compressed the overlying pile of sedimentary rocks accumulated over hundreds of millions of years into a thick stack reaching up to elevations of 10 – 14,000 feet, similar to the altiplano of Mexico and South America which formed at the same time from similar forces. That highland plateau stretched west – east from the Sierra Nevada Mountains in California to the Wasatch Range in Utah.

Extension became the dominant force beginning in the Eocene - Oligocene epochs approximately 55 to 25 million years ago. Also, the relative movement of the tectonic plates changed about 30 million years ago with the movement becoming more oblique to the continent. That relaxed the compressional forces and also tended to 'tear' the crust apart, creating diagonal extensions.

Figure 17 shows a cross section from the Sierra Nevada into Nevada showing how the highland has been extended apart.



Source: UC Santa Barbara Dept. of Geography, Basin and Range (Trans Sierra) Geology. n.d. 21. http://www.geog.ucsb.edu/~joel/g148_f109/lecture_notes/basin_range_geol.html>

Figure 17. Regional Cross Section.

The classical Basin and Range province (Figure 18) consists of narrow, N- to NE-trending, fault block mountain chains separated by flat, linear valleys. The geological pattern is very clean. There are the rocks of the mountains while the valleys are all the recent sediments eroded off those mountains. Tomorrow's erosion covers today's gravels in the valleys. It is unusual to find old gravels because the valleys are continually being covered over by newer gravels.

The Walker Lane is a 500 mile long, NW-SE trending zone of intense deformation which accommodates some of the same stresses which formed California's San Andreas Fault. It severely buckles and bends the Basin and Range pattern (Figure 18). Clayton Valley, location of the Project, is within the Walker Trend.

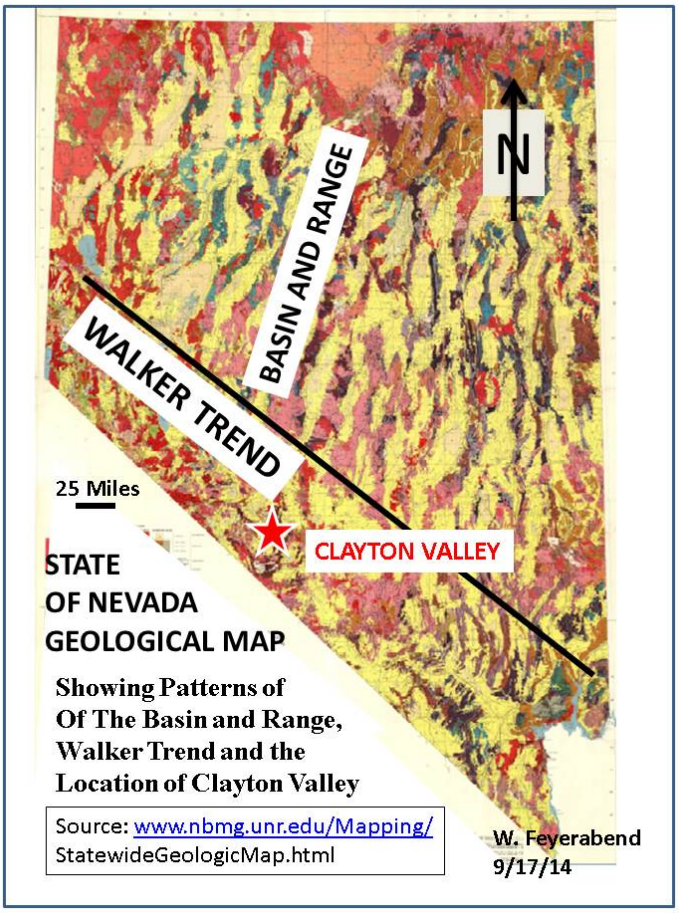


Figure 18. Statewide Geological Patterns.

There are two consequences of the regional geology that are pertinent to the Property: volcanism and, as a result of the oblique Walker Trend forces, Clayton Valley has been a relatively stable 'knot' where sediments and fluids are near surface and not as deeply buried as elsewhere in the Basin and Range. The evidence is that it has been a basin receiving fluids and volcanic sediments for millions of years which are within drilling depths.

The first consequence was volcanism. One result of crustal extension is crustal thinning. Whereas the crust is typically 35 to 45 miles deep under highlands such as the Sierra Nevada Mountains, it is generally about 20 miles deep under the Basin and Range. That crustal thinning brings heat closer to the surface resulting in more intrusive and volcanic activity. Figure 19 shows the volcanic activity in southwestern Nevada during the Miocene epoch (about 23 to 5 million years ago). The volcanics form a northwest trending linear pattern (the Walker Trend orientation) right thru Clayton Valley.

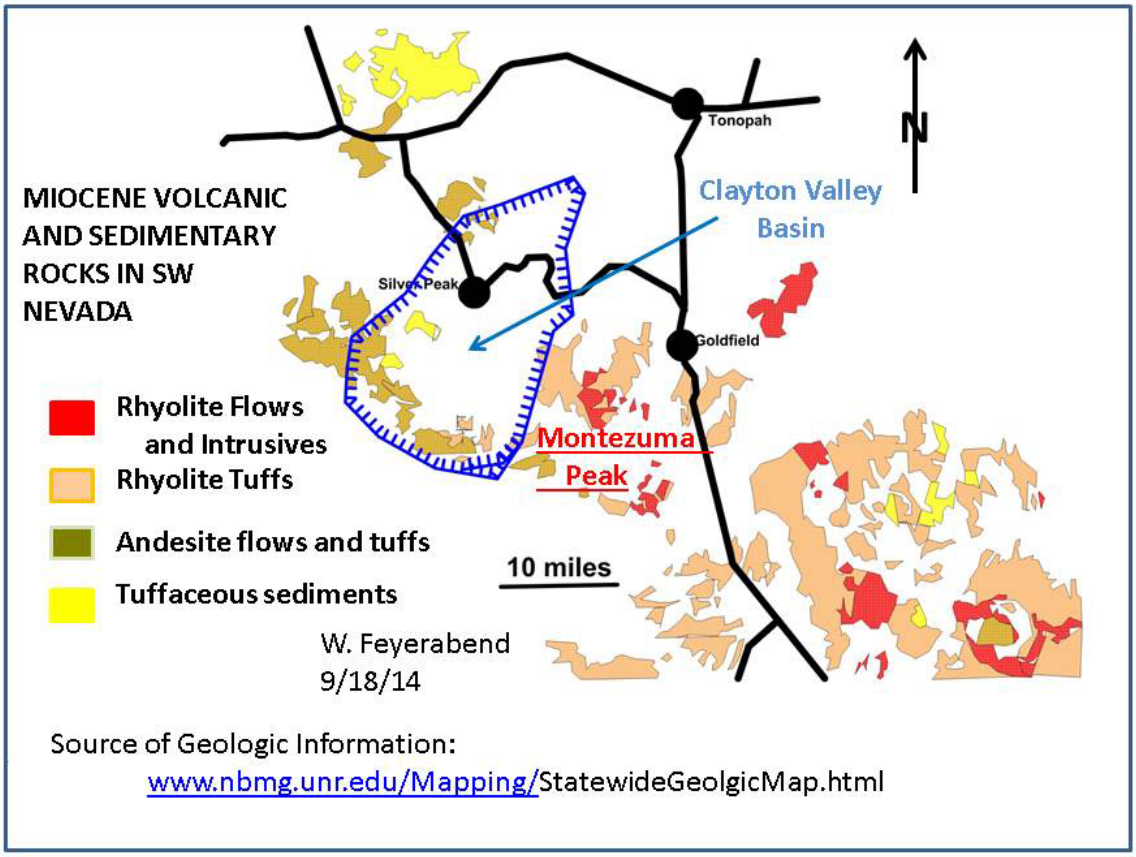


Figure 19. Miocene Volcanic and Sedimentary Rocks in Clayton Valley Area.

The northwestern most rhyolitic event was at Montezuma Peak on the southeastern side of Clayton Valley basin. That event appears to have formed a continuous geologic unit containing multiple volcanic horizons which can be correlated over the Montezuma Peak – Clayton Ridge –Clayton Valley area. They grade laterally as far away as Tonopah and Goldfield into the volcanic-sedimentary Siebert Formation (Albers, J., 1972). The very important conclusion is that the volcanic event blanketed an area of hundreds of square miles.

The composition of a magma melt which intrudes rocks and extrudes onto the surface to form volcanoes is the result of complex factors such as whether the melt is the result of partial or complete melting, the composition of the parent material melted and so on. Not all rock forming minerals form at the same time. Iron, magnesium and calcium-rich minerals tend to crystallize first, leaving the remaining melt richer in elements such as silicon. A rhyolite is a

silica-rich rock and is often the result after other elements first having crystallized out of the melt into their separate minerals and formed rocks such as gabbros and granodiorites. During the crystallization process, several elements called incompatible elements become concentrated in the late stage melts and fluids. They do not fit in the common mineral crystal structures because of mismatched sizes and charges. Lithium is a moderately incompatible element because of its low charge (+1 only) and small ionic size and therefore tends to be concentrated in the late stage magmas and fluids. Common lithium concentrations in such late stage rocks (granites, rhyolites and pegamatites) are 30-70 ppm as opposed to a few ppm in other rock types. Lithium then can be released into the environment due to weathering of the primary rock minerals. The liberated lithium can either attach to clay particles or be move with surface or ground-water (Li-Lithium-GTK). Whether in waters or in clays, lithium then tends to be transported downhill and, if into an enclosed basin, concentrated there.

Three possible sources of lithium in Clayton Valley have been postulated. One is that the lithium was leached out of pegmatites which occur in the area. However, there is a scale mismatch. Pegmatites typically are very small and the lithium endowment is large. The second possibility is that the lithium came from hydrothermal fluids. Indeed, the first geologists working in Clayton Valley felt that hot springs under the valley fed the brines and current hot springs brines can carry up to 1 ppm lithium. Finally, the rhyolite tuffs are a potential source. Munk et al (2011) noted the late Miocene – Pliocene (approximately 11 – 1.6 million year old) Esmeralda Formation tuffaceous lake sediments average 100 ppm lithium and contain up to 1300 ppm lithium and that hectorite (a lithium-bearing clay) on the playa contains up to 350-1171 ppm lithium. Price et al (2000) reported his samples from the east side of the basin analyzed up to 228 parts ppm lithium, or five times the worldwide average for rhyolites and tuffs. Those analyses are a hundred times the typical lithium concentrations in basalts. He found lithium concentrations down to 23-34 ppm in rhyolite tuffs which had been weathered or altered by normal earth processes and proposed that the lithium in the brines was sourced from the rhyolite tuffs and released during weathering.

The important point is that there are multiple plausible pathways for sourcing and transporting lithium in Clayton Valley.

Another part of understanding the lithium presence is that Clayton Valley is somewhat unique in the Basin and Range which typically has very distinct boundaries between mountains and valleys. The valleys are down-dropped fault blocks where older valley sediments are rapidly buried at depth by the active mountain erosion.

Probably because it is a "knot" in the Walker Trend, Clayton Valley is different. Older sediments are not buried at depth. The valley is bounded by 1 – 6 million year old gravels (Figures 20 and 21). Those outcrops are more lithified than the more recent unconsolidated gravels, sands and clays. In much of the Basin and Range, those gravels would be at depth buried by more recent sediments. In contrast, they outcrop around Clayton Valley and that is interpreted to mean that Clayton Valley has been collecting fluids as a basin somewhat similar to today's shape for a very long time. Also in contrast to typical Basin and Range valleys, those fluids are within drilling depths, not buried at uneconomic depths.

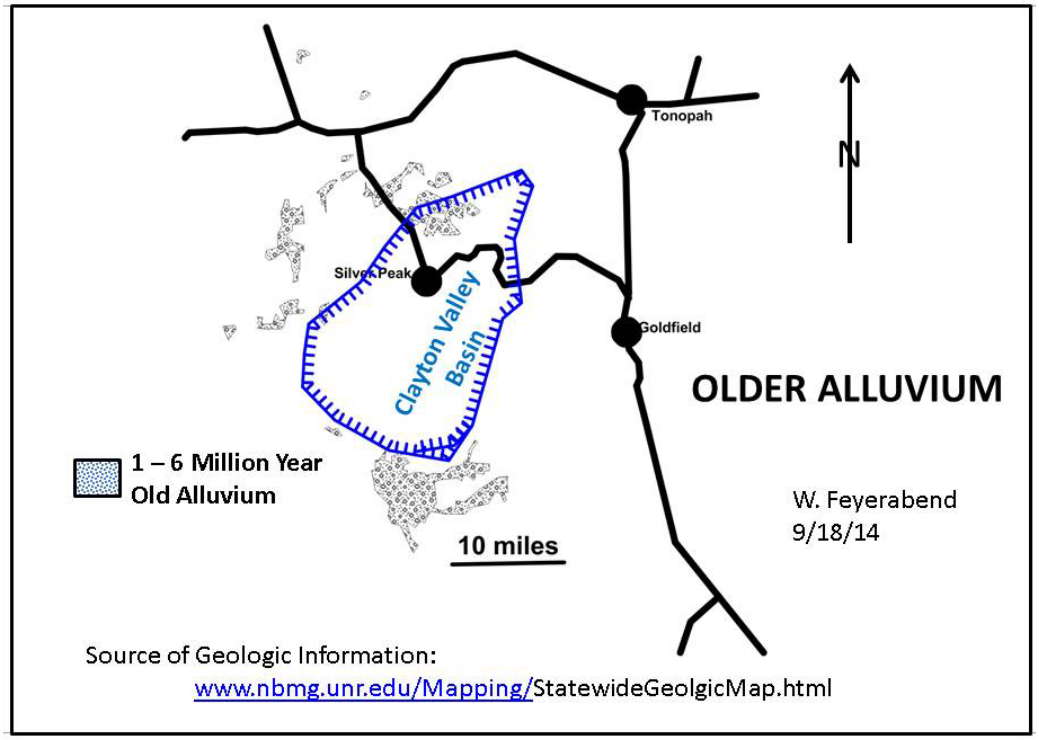


Figure 20. Older Alluvium Around Clayton Valley.



Figure 21. Older Alluvium Outcrop. T. 1 S., R. 38 1/2 E., Sec. 32.

With increasing awareness in the late 1970s of the strategic importance of lithium, the U. S. Geological Survey (USGS) began working in the area. They analyzed water from twenty one (21) drill holes to depths of 55 to 620 feet in the neighboring Big Smoky, Fish Lake, Alkali Flat and Stonewall Flat playas (Asher-Bolinder et al, 1980). There is no information on drilling, sampling or analytical techniques. Considering those limitations, the data as presented were used to plot lithium, sodium and chlorine concentrations. This is a simplified proxy for the more complicated chemistry of depositing many salt species during evaporation. The plot shows a good correlation of lithium with chlorine and that lithium contents clearly peak when the sodium: chlorine ratio is close to one (Figure 22). The formula for salt is NaCl, so the ratio close to 1:1 suggests that lithium concentration is related to salt deposition. That mechanism is well documented and clearly formed major lithium deposits such as the salar deposits of the South American altiplano.

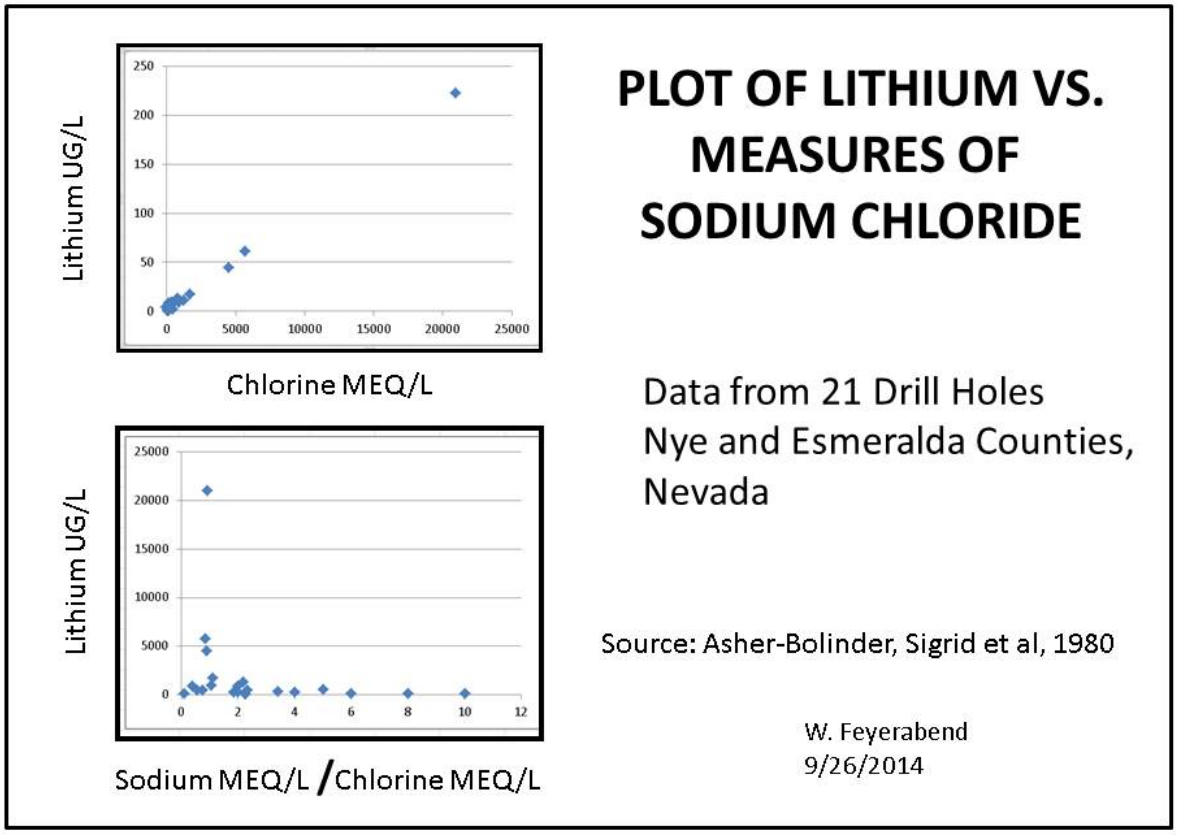


Figure 22. Lithium vs. Sodium Chloride Plots.

The USGS also drilled seven holes across the northern Clayton Valley (Figure 23). There have been comments in the literature about the difficulty of correlating geologic units in the valley. The Author has had more luck in this environment by correlating representations of the energies of deposition of rocks rather than correlating individual rock lithologies. In other words, high energy sediments like gravels and sands are colored reds, oranges, etc. and low energy sediments like mudstones and fine tuffs are colored browns and drab olive. There are two points to the diagram. The break to the flow of the colors occurs at drill hole CV-5A which is the hole with the considerable occurrence of salt. Looking at the section, such a break is usually explained as a faulting complication. It is entirely possible the drill hole is within an inner fault block trough. Also note on that drill hole log there is a zone with numerous occurrences of travertine. Travertine is a finely crystalline form of calcium carbonate often deposited around geothermal springs.

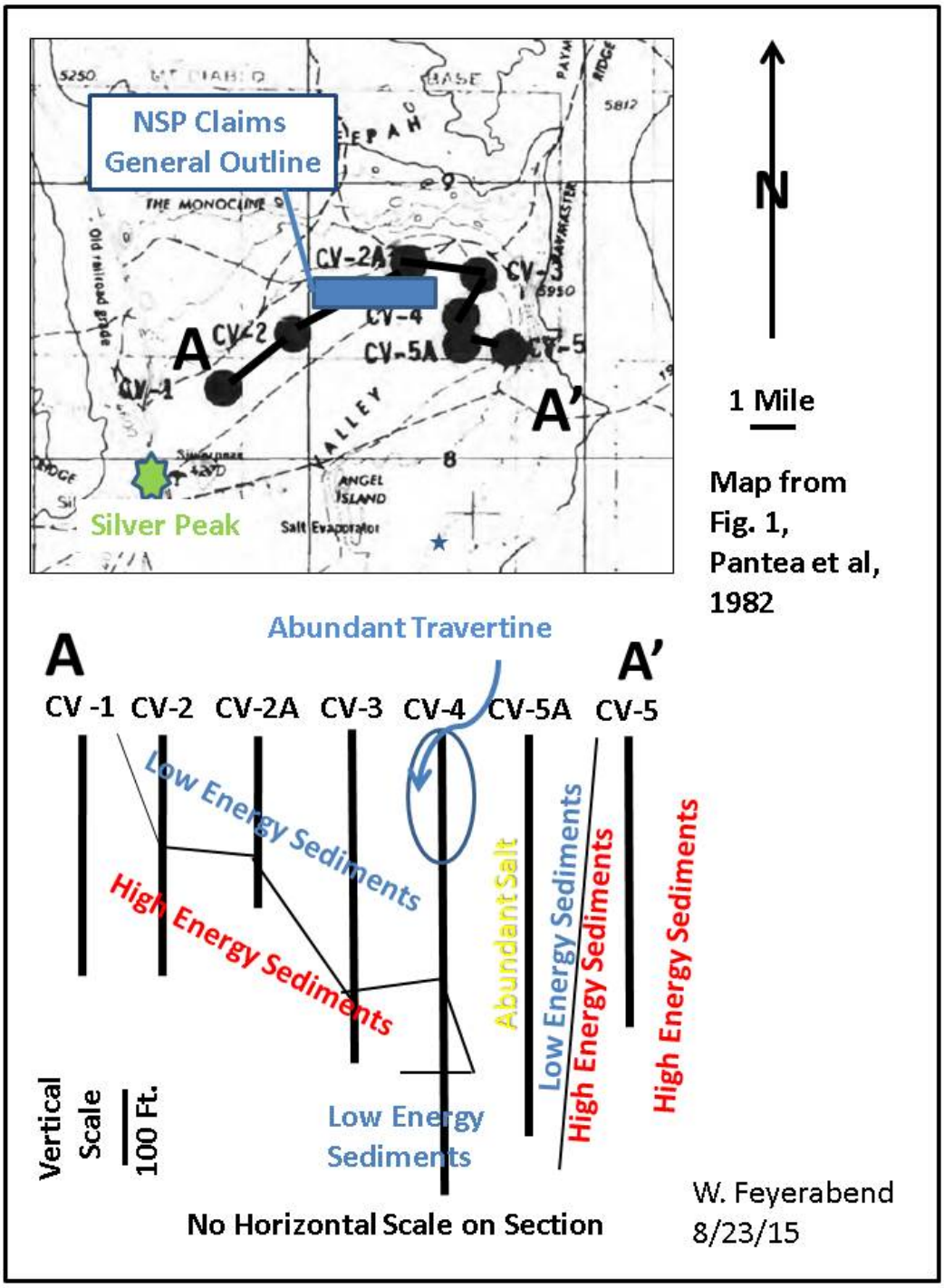


Figure 23. Schematic Drill Hole Cross Section.

In their program, the USGS fairly consistently analyzed drill chips for lithium – and much less regularly analyzed drill waters. A pattern that occurs over and over is that lithium is much higher in fine sediments than coarser sediments

(Figure 24). Two possible explanations come to mind. One is that the finer sediments often have a component of lithium-enriched tuffaceous material from Montezuma Peak volcanic event. The second possibility is that fine sediments represent the product of weathering and erosion where lithium liberated from the original rock minerals by weathering is scavenged by clays which have been washed down into the basin.

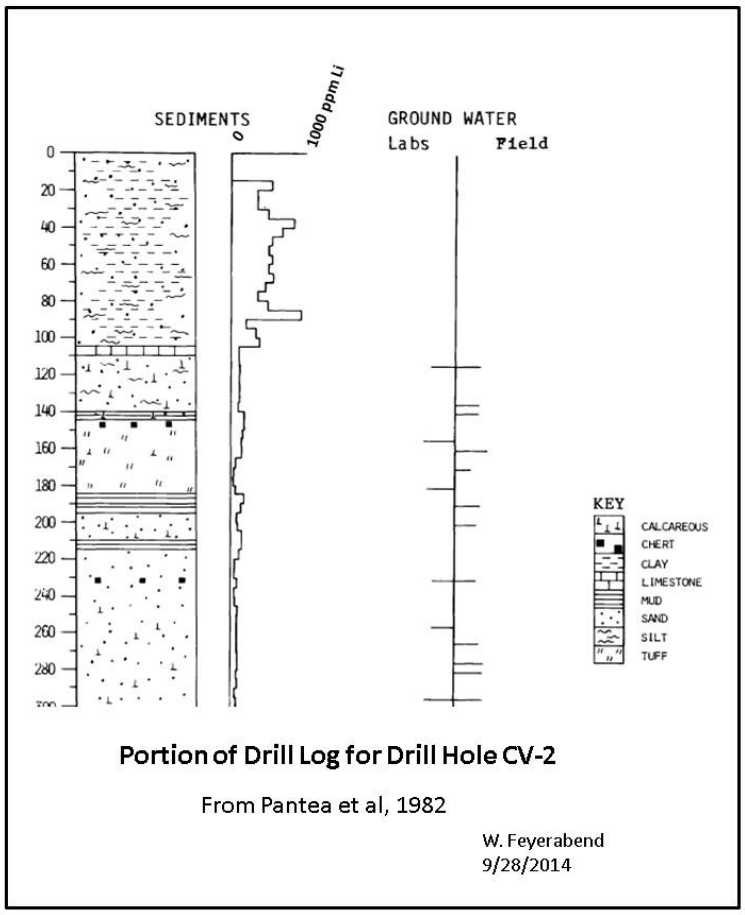


Figure 24. Drill Hole Lithium Analyses.

Clayton Valley is bounded to the east by a steeply dipping fault. The basin-filling strata thicken eastward against that fault. Within that basin, Munk et al (2011) noted that production came from six aquifers:

- Main Ash Aquifer (MAA), 15 – 65 feet thick, tuff material seems related to the Bishop Tuff or Glass Mountain volcanic events 0.7 – 1.2 million years ago and about 50 miles to the west.
- Salt Aquifer System (SAS), alternating silts and halite (salt) 100 – 330 feet thick.
- Tuffa Aquifer System (TAS), 20 – 65 feet thick, localized aquifer in travertine.
- Lower Ash System (LAS), 35 – 300 feet thick, extensive zone of thin bedded volcanic ash deposits alternating with silts and sands.
- Margin Gravel Aquifer (MGA), 35 – 230 feet, local aquifer of sands, gravels and silts.
- Lower Gravel Aquifer (LGA), 165 – 330 feet thick, poorly sorted deposit of fine to coarse silts, sands and gravels.

Isotopes are different forms of the same element where the difference is the number of neutrons in the nucleus. Munk et al (2011) collected samples in the basin from snow, ground-water, cold and hot springs and subsurface brines including production brines. They measured oxygen and deuterium isotopes and concluded that there was no simple path to the brine reserves. The lithium brines were formed by complex and multiple processes of evaporation, re-mobilization and salt and lithium clay dissolution and precipitation. In short, their data shows that Clayton Valley is more complex than the surrounding playas where the USGS sampling suggests that lithium concentration is related simply to salt deposition.

Foote Mineral Corp. began production in 1966 from what they called the Main Ash Aquifer (Zampirro, 2003). Foote (now Albemarle) had drilled hundreds of holes to depths of 2,000 feet and added five more aquifers (Figure 25). In other words, production does not come from a brine filling the basin, but from geologic units which are distinct hydrogeological units within the closed basin.

At the time of Zampirro's report, there were approximately 200 wells with 30 wells producing 30 – 325 gallons/minute from depths of 230 – 1165 feet. At the time, they were planning on completing wells to depths of 1650 feet. Brine salinity varied greatly from 40,000 to 170,000 mg/L total dissolved solids

(TDS) and specific gravities of 1.025 - 1.21, depending on the aquifer. Brines with greater than 400 ppm Li have been pumped, but there is reference to the economic range being 230 – 300 ppm.

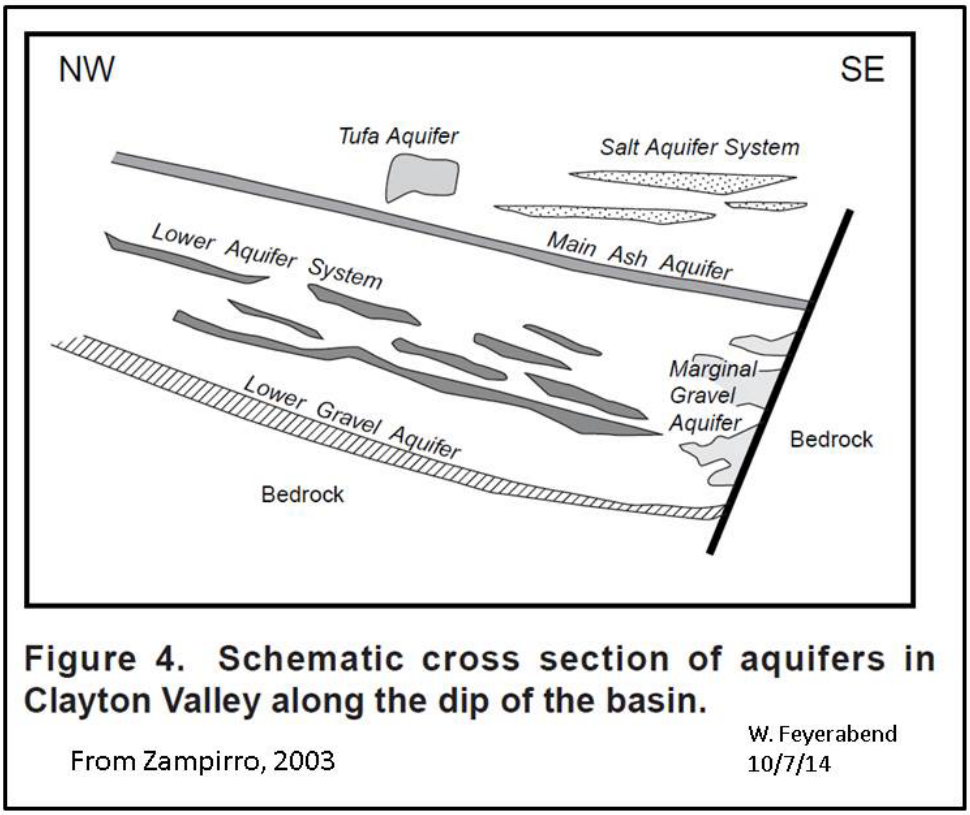


Figure 25. Schematic Cross Section of Producing Clayton Valley Aquifers.

Zampirro further states, "Seismic and gravity surveys reveal numerous horst and graben features in a gently synclinal deepening basin to the east-southeast" (Figure 26). Seismic evidence suggests 4,000 feet of down drop in the basin.

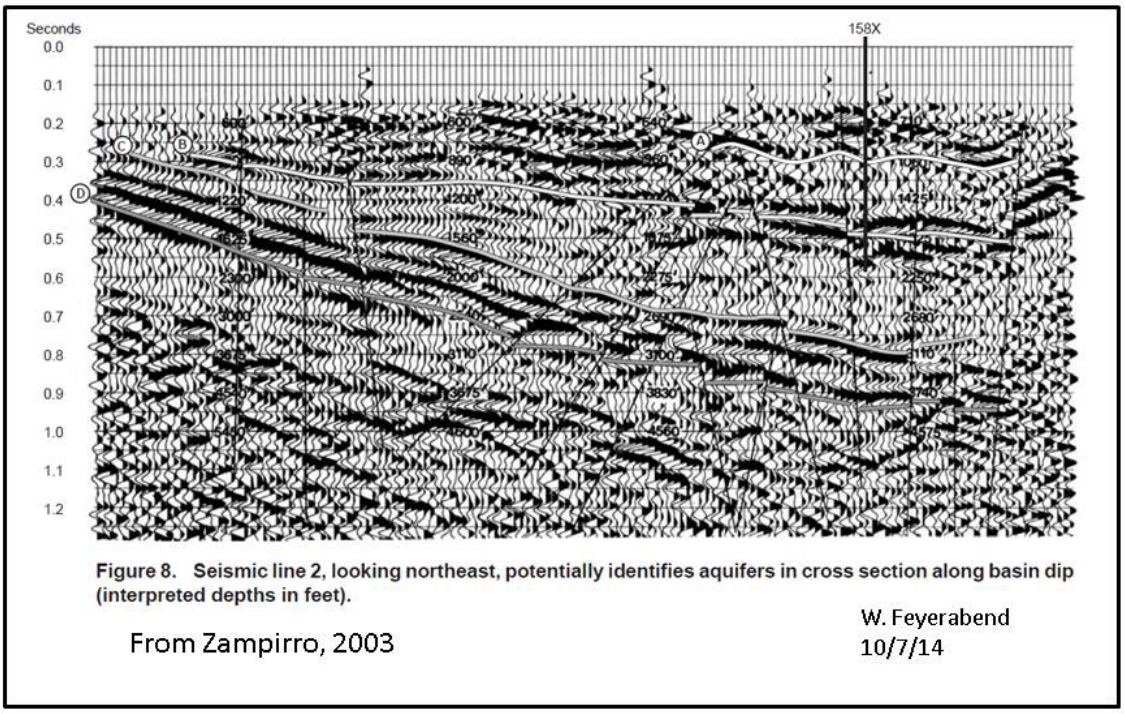


Figure 26. Seismic Section Across Part of Clayton Valley.

Note that the older sediments (those lower in the profiles) in figures 25 and 26 are tilted towards the east whereas the younger sediments are sub-horizontal. This tilting in older sediments is common in extensional basins in the southwest. The older sediments were originally deposited sub-horizontally and then tilted as the basin subsided and the overlying younger sediments were then deposited on the new horizontal playa surface. This shows that porous aquifers and faulting developed thru the history of the basin. Hence, the lithium is not related to a single event. Any suitable unit deposited thru the history of the basin may act as a reservoir. Also there is typically faulting associated with the tilting within the sedimentary stack which can act as pathways for later fluid movement.

Additionally, the bounding horst and graben (vertical juxtaposing of blocks) normal faults may provide a plumbing system for fluids to move vertically. Typically there would be little vertical migration of fluids thru the sediments because of thick claystone layers. However, Zampirro cites evidence from pumping tests for partial connectivity between some aquifers. The internal faulting or poorly abandoned historical drill holes are possible explanations for that connectivity.

There is one final bit of evidence for structures providing a plumbing system through the basin. There is a recent basaltic cinder cone beside the highway just north of Silver Peak (Figure 27). Basaltic magmas are sourced from the mantle below the earth's crust. That cinder cone shows there is a plumbing system throughout the entire earth's crust which also could move fluids from any depth within the crust in the Clayton Valley area.



Figure 27. Basalt Cinder Cone.

Zampirro's data comes from the production area immediately to the south of the NSP claims (Figure 28) and on the same side of the Paymaster Canyon fault, which is often interpreted to be one bound to the lithium brine field. The data does not intersect the NSP claims, however based on the Author's experience on nearby properties, it is difficult to imagine a radically different geologic history for the NSP claims. The general observation of cyclical sedimentation producing alternating and hydrogeologically distinct aquifers and aquicludes with brines in confined to semi-confined aquifers and faults providing a plumbing system for moving brines within the basin to suitable reservoir rocks almost certainly applies to the Property. Harrop (2009) also made the very simple yet very profound observation that the mineralization is

"blind," i.e. it does not outcrop, although surface processes may account for a significant portion of the lithium being in a commercial form and concentration. Mapping and sampling the current surface does little to no good on developing specific targets. The targets need to be developed by a remote method such as geophysics and tested by drilling. Additionally, because all of the historical springs in the immediate area have dried with the drawdown by pumping, there was no source that could be sampled during the field examination.

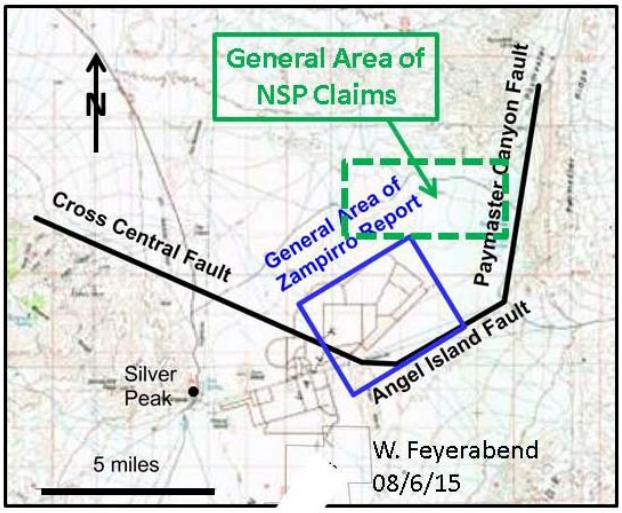


Figure 28. Location of Production Area and NSP Claims.

The available evidence is that the lithium in Clayton Valley may have multiple sources: evaporation brines, hot springs and lithium freed by weathering brought in on clays, ground-water or in runoff waters. That lithium was then accumulated and stored in various aquifers; sometimes at the site of generation such as the Salt Aquifer System, and sometimes in porous and permeable beds such as the Main Ash Aquifer which are difficult to tie directly to a single lithium source but which function as reservoir rocks. There is evidence that the extensional valley growth faults provide an adequate plumbing system to move brines to a suitable reservoir rock.

It is very important to understand this geology also for legal reasons because it determines and explains why placer claims are the correct claim type to stake and produce lithium brines from valley sediments while lode claims are correct for lithium contained within 'hard rocks' such as pegmatites. The production history and case law of lithium brine production is built upon placer claims because the lithium brines occur within sediments.

8. DEPOSIT TYPES

The appropriate model to apply to the Property is the model of the adjacent Clayton Valley lithium production property where lithium brines are produced from brines in rhyolitic tuff and other horizons within the general alluvial valley fill. The key components of that model are:

1) **A depositional basin.**
2) **A lithium enriched geologic system as a large and broad source.**
3) **Horizons within the basin with sufficiently high porosity and permeability to act as a reservoir rock which permits production by pumping.**

9. EXPLORATION

There is little to no useful surface geology that can be done within the claim boundaries on the playa. Generally in Clayton Valley, the options are to either drill blind or use geophysics to help target drill holes. There is a third option open specifically on the NSP claims because they are located so close to the basin edge and to the Paymaster Canyon fault which many interpret to be a feeder zone for the lithium brine mineralization. Because of this specific siting, it is reasonable to develop close but peripheral evidence which can reasonably be used to help assess the NSP claim potential.

Various geophysical surveys have been run across and near the claims (Figure 29). A 2009 gravity survey across the NSP and adjacent areas used a 500

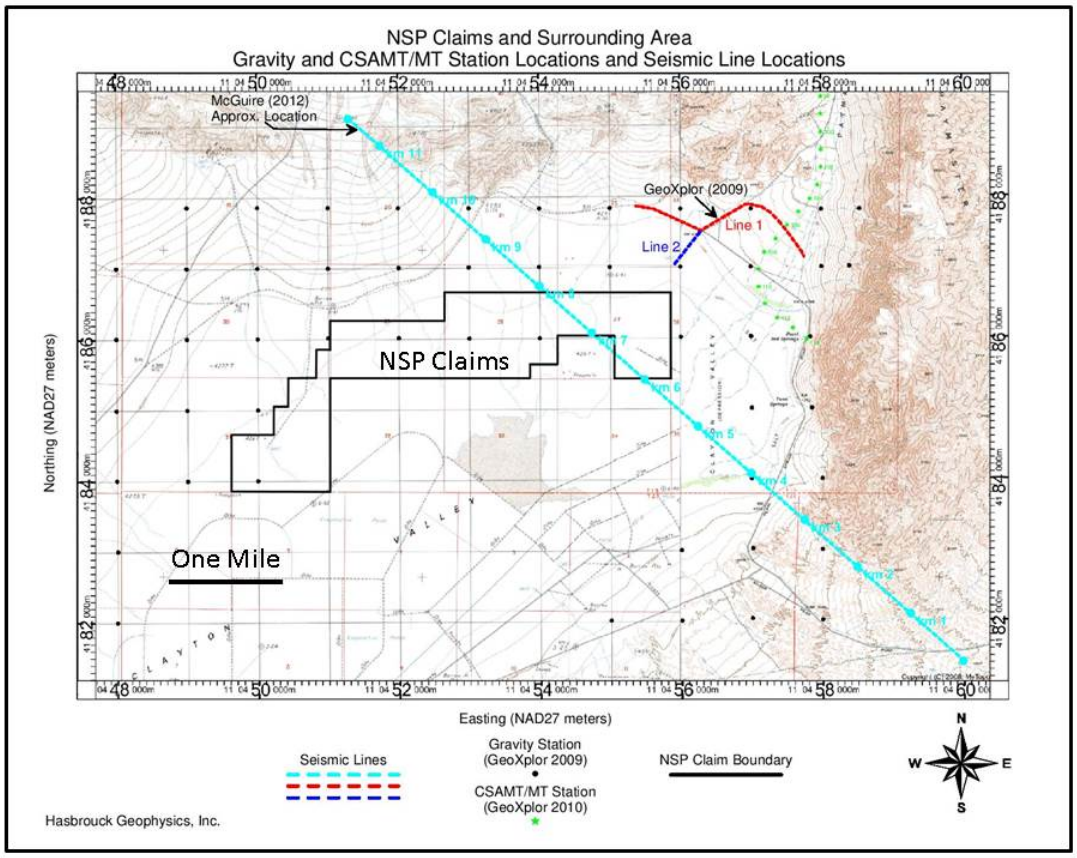


Figure 29. NSP Claims and Geophysical Surveys

meter (1640 feet) station spacing. Note that metric spacing for field data is usual based on field GPS equipment set to the NAD 27 CONUS system.

The Company has acquired (Hasbrouck, 2015) the following historical data for the general property area: gravity, controlled-source audio-magnetotellurics / magnetotellurics (CSAMT/MT) and reflection seismic data performed for GeoXplor Corp., gravity data originally for Sierra Geothermal (now Polaris Infrastructure Inc.) and gravity and wide-angle reflection / refraction seismic data from McGuire's 2012 University of Oklahoma Masters of Science Thesis.

Jim Hasbrouck (Hasbrouck Geophysics, 2473 N. Leah Ln., Prescott, AZ 86301; 928-778-6320) conducted the CSAMT/MT and reflective seismic survey geophysical work. Hasbrouck is a California Registered Professional Geophysicist, Certificate No. GP 1026. He has over 35 years of experience in several countries conducting geophysical surveys for minerals, water and environmental purposes.

The large scale question is whether the NSP claims cover a basin or a pediment. A pediment is simply a relatively flat surface on bedrock covered by a veneer of soil or sediments. The difference is shown on Figure 30. Pediments are reasonably common in the southwestern US. A geologist does not really know when he steps off the edge of hills into the valley if he is stepping over a basin or a pediment without geophysical or drill data. Pediments are very good for exploration for gold in Nevada and copper in Arizona, but Clayton Valley lithium brines require the sediments of a basin.

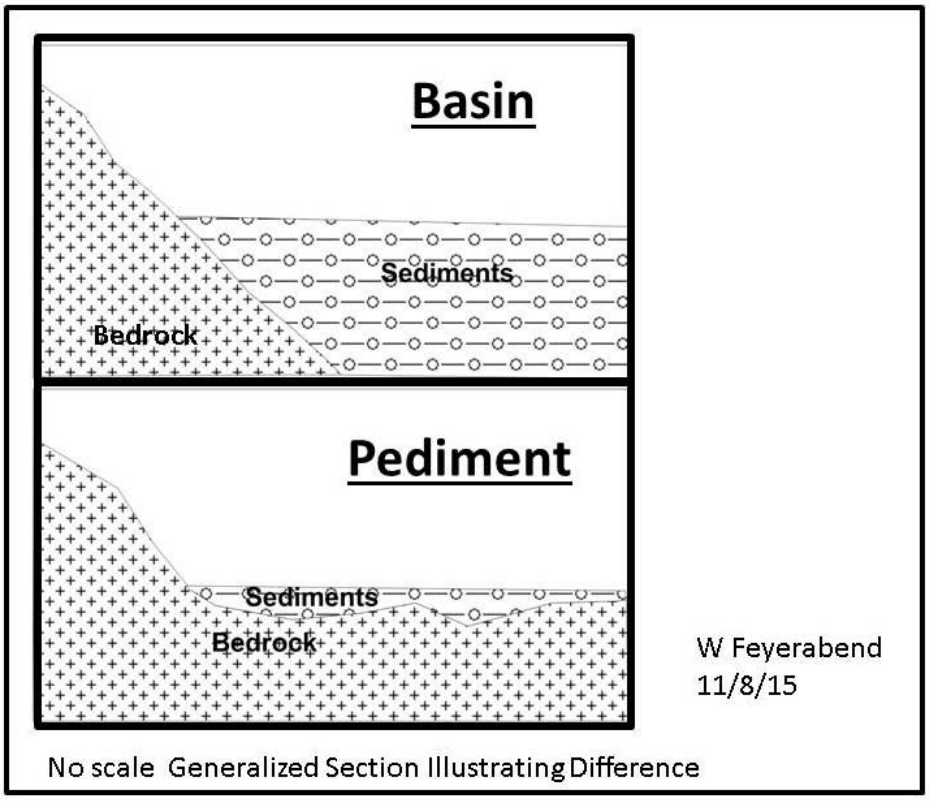


Figure 30. Basin vs. Pediment.

A gravity survey measures differences in the earth's gravity field in the area of interest. The object is to identify different rock types by the differences in the gravitational field measured by the gravimeter. Density is measured in gm/cm^3. Typical densities of sediments are 1.7 to 2.3, while limestone, granite and fresh volcanic rocks generally range from 2.5 to 2.9. Hence a basin or trough full of low-density sediments is indicated by a gravity low compared to higher gravity readings where solid earth extends to the surface as outcrops. With reasonable assumptions of density, it is possible to model the depth to bedrock.

Field gravity measurements were made with a LaCoste & Romberg Model G gravity meter with an Aloid linear electronic feedback system. The data was

processed with Geotools Corporation Grav Master (version 1.30) software and modeled with Interpex Ltd. Magic (version 1.1).

The bedrock depths modeled from gravity (Figure 31). This show a broad ridge of shallower bedrock across the center of the claim block with thicker basin fill sediments on both east and west ends of the claims. The thicker basin sediments to the east broadly match the geological section from the USGS drilling which gives more confidence to the interpretation (Figure 23). It is common with gravity surveys to take readings one or two stations outside the area of interest so that the interpretive software has data to "project" to. The station spacing and resultant data is adequate for the purpose of answering if the NSP claims cover a basin or a pediment.

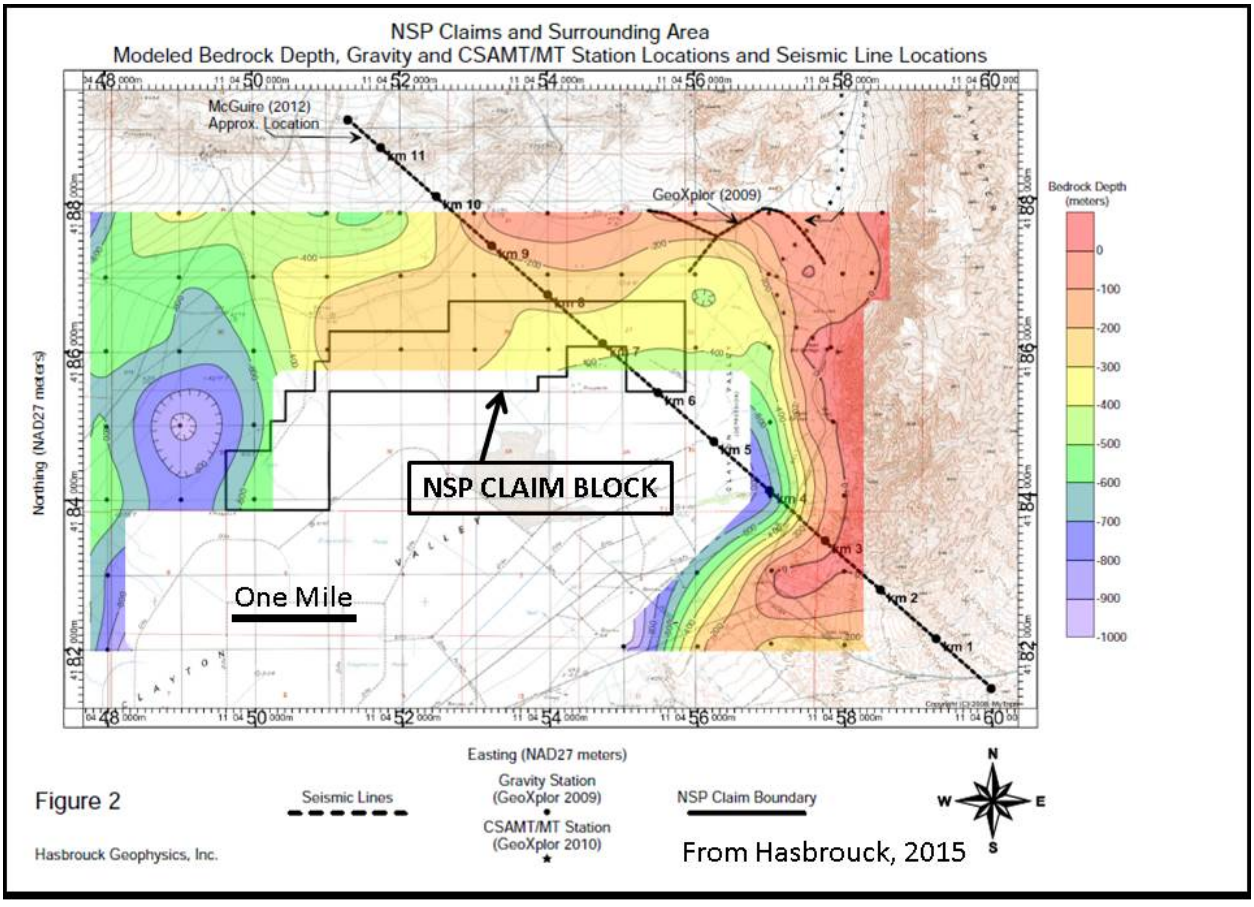


Figure 31. Gravity Modeled Depth to Bedrock.

A wide angle reflection/refraction seismic survey done for Sierra Geothermal Power Corp./Ram Power Corp/Polaris Infrastructures crosses the NSP claims and was used for a University of Oklahoma Master of Science thesis (McGuire, 2012). The technique and one kilometer station spacing is more suited for deeper crustal or geothermal studies. The raw field data is not available. An interpretive NW-SE section from McGuire's thesis across the basin including the NSP claim block (Figure 32) derived from both gravity and seismic data suggests a 200 – 800 meter (approximately 650-2600 feet) thickness of basin sediments within the claim block. The scale of this interpretation on so large that the basin sediments are a relatively minor feature. The survey cannot be used for detailed drill hole planning, but is useful to show the presence of a significant thickness of target basin fill sediments and the presence of the curviplanar, high angle faults produced during the extensional tectonic history of the basin.

GeoXplor in 2009 ran seismic profiles about one mile northeast of the northeastern corner of the NSP claims (Figure 29). Field instruments were Seistronix EX-6 seismograph with 162 channels on line 1 and 138 channels on line 2 and a 200 pound accelerated drop weight as a seismic source. A Trimble Pathfinder ProXRS was used for the 4.57 spacing. The data was processed with ProMax. The spacing was adequate to produce a useful seismic section.

A profile is shown in Figure 33. Noteworthy is the pattern of multiple reflectors in the section, probably caused by the complex sequence of silts, sands and gravels, and the steeper dips in the deeper (older) sediments. The method and sample spacing were adequate to identify that pattern.

This is the same pattern in the data presented by Zampirro (2003) from the Albemarle production area. Again, all sediments were deposited sub-horizontally. The mechanics of extensional tectonics mean that the pile of sedimentary rocks is rotated as the basin extends. The other feature of extensional tectonics are the high angle faults within the sediments caused as they adjust to the rotation. Those faults may act as both aquatards (i.e. barriers to fluid movement) in some cases and other cases as pathways for fluid movements which may help explain the accumulation of lithium brines in discontinuous reservoir rocks throughout the sediment pile.

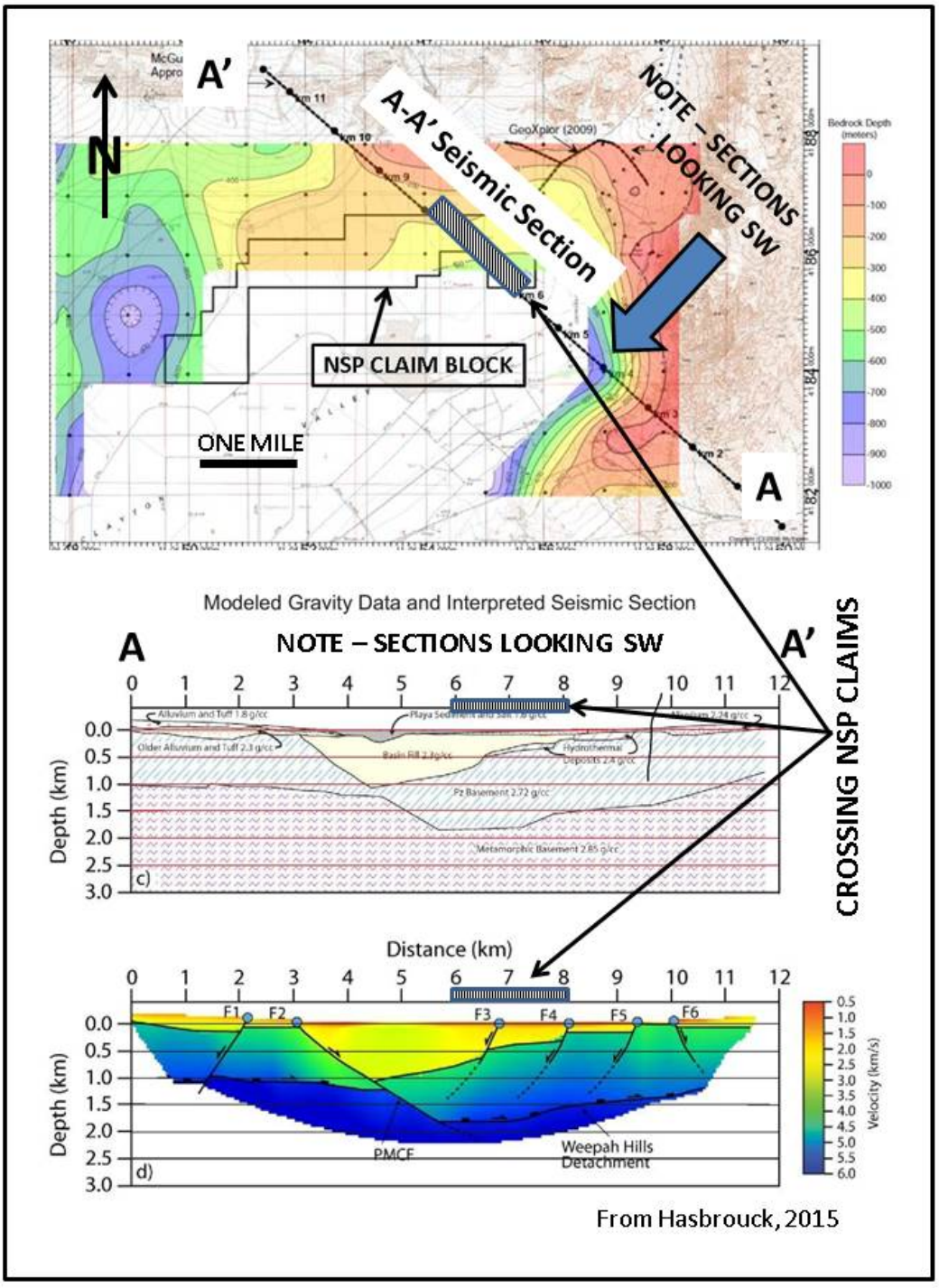


Figure 32. Interpreted Gravity-Seismic Section.

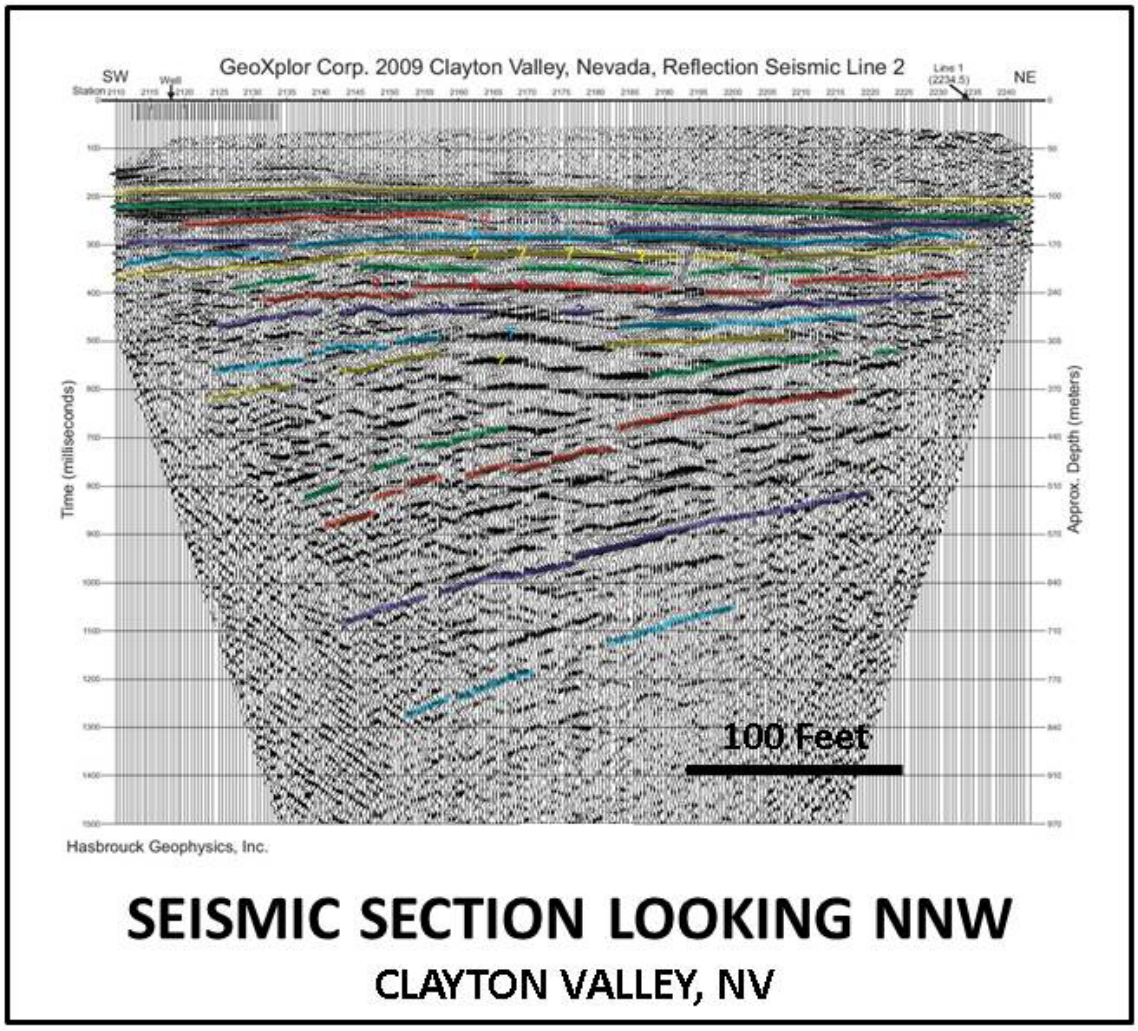


Figure 33. GeoXplor Seismic Section.

The sum of the information from the seismic profiles both crossing and peripheral to the NSP claims (Figure 34) add confidence that the basin interpreted from the gravity survey is both filled with potential host sediments and has been extended and broken by basin tectonics, providing pathways for fluid movement.

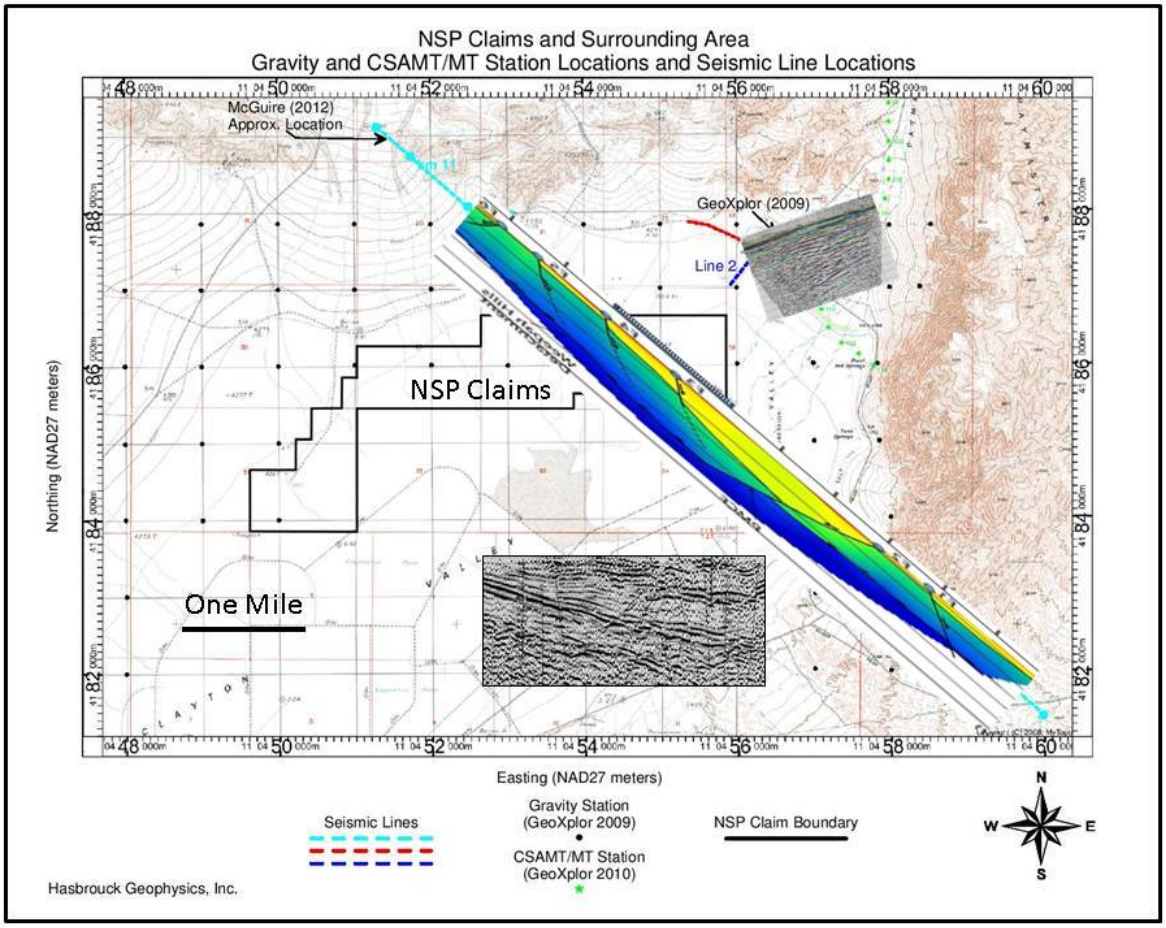


Figure 34. All Seismic Profiles.

A controlled-source audio-magnetotelluric/magnetotelluric (CSAMT/MT) geophysical survey is an exploration technique for determining conductivity of rocks. A Geometrics StrataGem EH-4 was used for field measurements in Clayton Valley and the data was modeled using ElectroMagnetic Array Profile (EMAP).

There are many characteristics which can affect conductivity. The most likely characteristic affecting it in Clayton Valley is the presence of salty brines which act as a conductor. A 2010 CSAMT/MT traverse down Paymaster Canyon is shown in Figure 35. Critical inflection points along the traverse are labeled with station numbers (i.e. 98, 102, etc.) on the map to help locate the traverse on the ground. "Cool" blue colors indicate higher resistivity/lower conductivity and "hot" red-orange colors indicate the reverse. The survey

shows a dramatic increase in conductivity at the edge of the basin. The most likely explanation is the presence of brine fluids, which are known to be lithium-bearing from the nearby production wells. The method and sample spacing were adequate to show a strong conductor as Paymaster Canyon entered Clayton Valley.

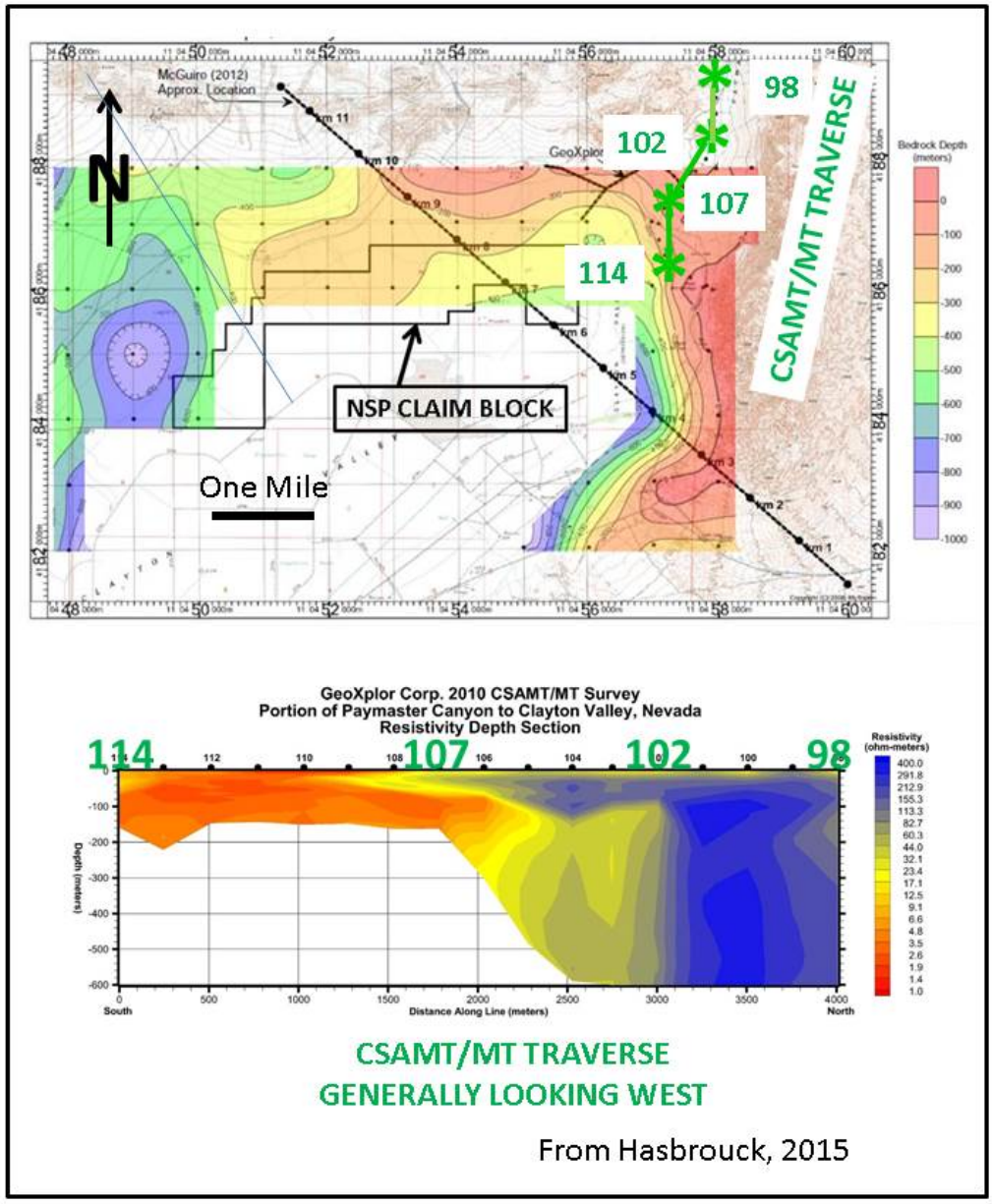


Figure 35. CSAMT/MT Survey.

GeoXplor also conducted field geological studies which helped to put the NSP claims in a favorable context. A review of district mapping in May and June, 2014 (Figure 36) showed that basin sediments on the west side of the basin were derived from Paleozoic rocks while those on the east side as derived from Tertiary volcanic rocks. Volcanic rocks are interpreted to be a possible source for lithium. Paymaster Canyon on the northeast corner of the claims is a focus for river sediments in the basin, The canyon also eroded along the Paymaster Canyon fault which focused hot springs such as Pearl Hot Springs which may drive the lithium brine system.

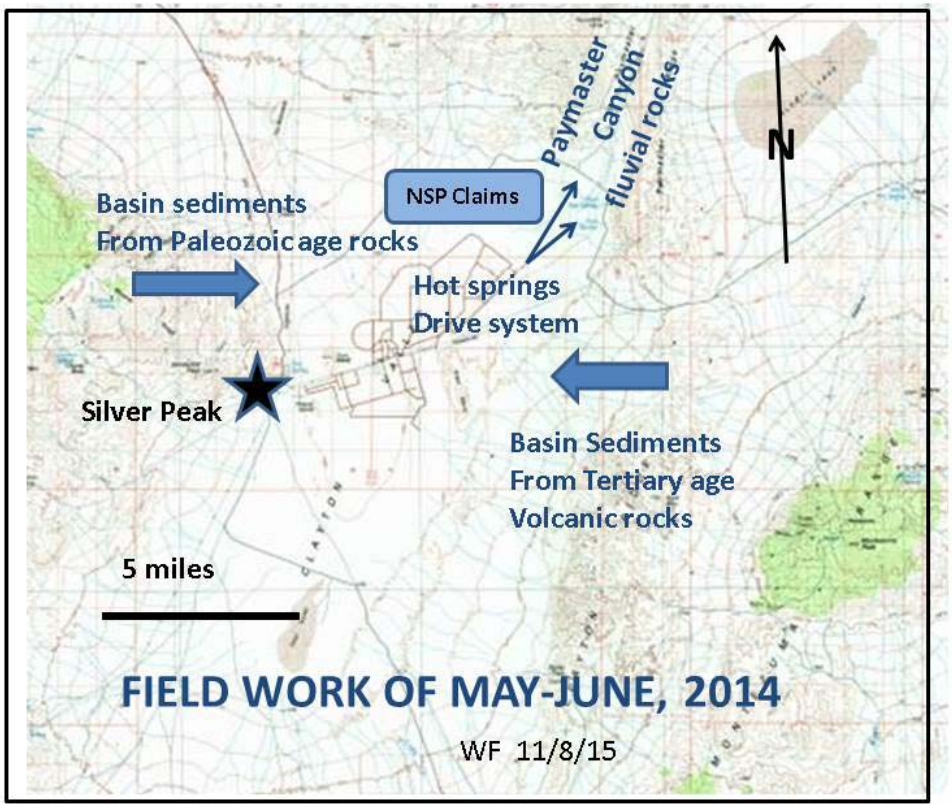


Figure 36. Field Work of May-June, 2014.

Field work in April, 2012 (Figure 37) showed that the Paymaster fault is a complex zone, not a single fault plane, which focused heat and hot water flow to leach components such as lithium and chlorine from the volcanic rocks and localize the resulting brines on the northeast part of Clayton Valley. A Niton XRF analyzer is a hand held instrument using x-ray fluorescence for field analyzes. It was used in May, 2012 for work in the Pearl Hot Springs area where very calcareous, almost tuffaceous sediments analyzed 1-15 ppm chlorine and anomalous in Na and K showing the fluids had leached from volcanic rocks, the potential original source for the lithium. Niton work in June, 2015 using indicator elements F, Cl, Na and Mg suggested that clays in Section 26 at Pearl Hot Springs were smectites which could alter to hectorite and source lithium.



Figure 37. Field Work April-May, 2012: June, 2014.

As explained earlier in this report, there is no significant surface work that can be done on the playa. However, with the location near the edge of the valley, it is reasonable that work done on nearby exposures can add value by showing the favor geologic conditions that can reasonable be projected onto the NSP claims. Gravity and seismic surveys suggest that the claims cover basin sediments with the extension faulting as seen on the producing property. Field mapping, field chemical analyses and the CSAMT/MT geophysical traverse show the Paymaster fault on the east edge of the claims and Pearl hot springs on that fault system are important parts of the mineralizing system. The work provides multiple evidence that the NSP claims have favorable stratigraphy and structure and a nearby source for lithium brines.

NSP EXPENDITURES

2009	Gravity survey	$38,000
2009	Seismic survey	$46,000
2010	CSAMT/MT survey	$26,250
2012	Mapping and field analyses in Paymaster Canyon/Pearl Hot Springs area	$32,200
2014	District mapping which focused on Paymaster Canyon fault for structure, heat	$25,000
2014	Re-evaluation of geophysical work	$ 2,270
2015	Field analyses of clays	$21,700

10. DRILLING

There has been no current drilling which recovered chips or fluids on the Property.

11. SAMPLE PREPARATION, ANALYSIS AND SECURITY

Decades of pumping have drawn down basin fluid levels to where the few historical springs around the Property no longer flow. No samples were taken during the field examination.

12. DATA VERIFICATION

There were no samples taken from the Property. Production pumping has lowered the water table and a few peripheral springs which once might have been sampled are now dry.

The only data which could be verified would be geophysical data, which is beyond the scope of this requirement.

There is no geology pertinent to the Property evaluation exposed on the playa. Data from geophysical surveys, nearby historical drilling and data available from the literature were used for evaluating the Property. Verifying that data would require running check geophysical surveys and twinning historical drilling which clearly are beyond the scope of this report. However, the Author has experience including drilling on two properties in and adjacent to Clayton Valley. Based on that experience, he believes that Clayton Valley broadly behaved as a coherent geological entity thru the pertinent geologic time and that, while details can vary, broad patterns can be seen across the basin. Based on that, it is reasonable to project near by observations such sedimentation patterns, the structural geology framework, hot springs measurements with lithium brine potential onto the Property. Essentially, data verification comes from the Author's experience of working and writing technical reports on nearby lithium brine properties. That is adequate for this report in the Author's opinion.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

There has been no sampling of brines from the Property for process testing.

14. MINERAL RESOURCE ESTIMATES

The Project is exploration stage. There is no lithium brine resource estimate for the Property.

23. ADJACENT PROPERTIES

The Property adjoins the producing Albemarle Silver Peak lithium brine operation (Figure 38) where lithium brines have been pumped from valley fill sediments since 1967. The 1966 discovery drill hole at 229 m. depth pumped 450 gpm at 678 ppm lithium. Initially one aquifer, the Main Ash Aquifer, was known. The central production area ranged from 100 to 800 ppm lithium. The number of recognized aquifers has increased with continued drilling and there now are six publicly acknowledged aquifers between the surface and bedrock. The average lithium content was about 400 ppm when production began. That has slowly declined. In 1998 the average was 160 ppm. After solar evaporation, the concentrated brine is 5,000 – 6,000 ppm lithium when pumped to the mill. There are historic reserve/resource calculations in the literature which are not included because they are approximately 20 and 25 years old and, in the Author's opinion, not relevant for current consideration. Production thru 1991 was estimated at 25,600 metric tons lithium (Price et al, 2000). The Author was not able to confirm this information and it is not necessarily indicative of mineralization on the NSP claims which are the subject of this report.

There is no public estimate of current reserves/resources on the Albemarle Corp. property and production data is proprietary.

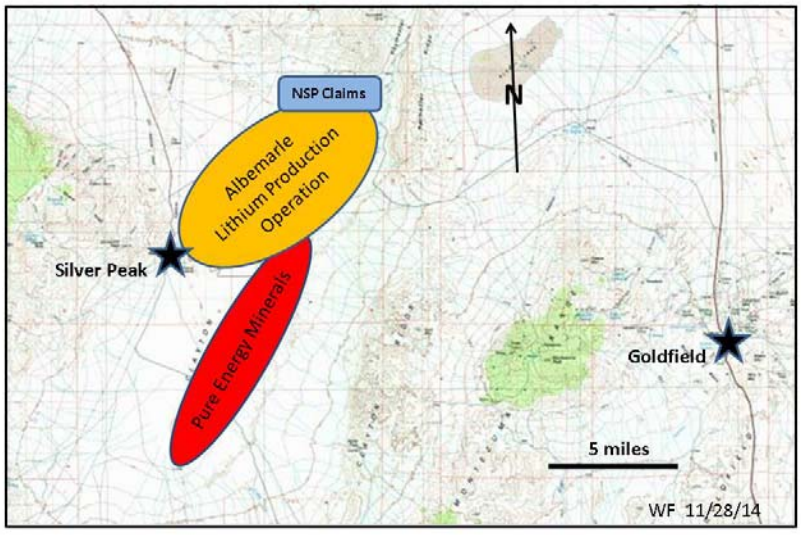


Figure 38. Adjacent Properties.

There are two production holes immediately inside the Albemarle property line (Figures 39 and 40). Gages at the first at 454260E, 4185442N read 50 psi and 85 gal./min. during the field visit. The second at 455079E, 4186038N was turned off.



Figure 39. Producing Well.



Figure 40. Producing Well.

Immediately south of the Albemarle property and across the Angel Island and South Central Faults which presumably bounded the brine potential, Spanjers (2015) in a recent technical report calculated an inferred resource of 816,000 metric tonnes of lithium carbonate equivalent (LCE) on Pure Energy Minerals Ltd's Clayton Valley South Project (Note that the calculation was as metric tonnes of LCE and not as concentration of lithium per brine unit). The Author was not able to confirm any of this resource calculation and it is not necessarily indicative of mineralization on the NSP claims which is the subject of this report.

24. OTHER RELEVANT DATA AND INFORMATION

As of this date the author is not aware of any other relevant information to report.

25. INTERPRETATION AND CONCLUSIONS

Lithium has been produced since 1966 from brines hosted in basin fill sediments in Clayton Valley, Esmeralda County, NV. The production facility is currently owned by Albemarle Corp. and current reserves are not public knowledge. The number of aquifers has increased from one to six through decades of development. To the south across a "bounding fault" which was thought to be a geological limit to the lithium brine potential, Pure Energy Minerals Ltd. recently released an inferred resource on their Clayton Valley South Project.

The district is clearly a major and still open lithium brine occurrence.

The Company's Property consists of the 77 NSP active placer claims covering 1540 acres on Federal lands administered by the Bureau of Land Management. The claims cover a desert playa, so no meaningful surface geology can be done on the playa and no samples were taken during the field visit. Surface geophysics is a valuable exploration tool in Clayton Valley. A gravity survey shows that claims cover a deepening basin. Seismic surveys are interpreted to show the basin has the same sedimentation and faulting patterns seen in the production area. Historic drill logs also show deepening valley fill sediments towards the east side of the claim group against the Paymaster Canyon fault which can be interpreted from field geology work to be both a boundary to the basin and a focus of hot springs activity which has leached volcanic rocks of elements, potentially including lithium. A CSAMT/MT geophysical survey down Paymaster Canyon indicates electrical conductivity within the basin which could be accounted for by the presence of conductive brines. Two of Albemarle's wells producing lithium are located along the southern Property boundary.

The obvious drill target would be to offset the two production wells on the Company side of the Property boundary.

The Property is on Federal land administered by the Bureau of Land Management. The permitting process in Clayton Valley is well established and there are no known issues. However, because the playa environment is unique, the BLM may require a field survey by a biologist and there is always a

chance that some species of rare plants may be encountered that could complicate permitting. The recommended work can be done on a Notice of Intent which generally can be finished on a scale of a few weeks.

Ground water in the Clayton Valley basin is fully allocated and that is an issue which ultimately needs to be addressed. New selective lithium technologies such as LiSX may allow lithium to be produced and the brine pumped back into the basin, perhaps sidestepping the allocation issue.

Special drilling procedures are required in the soft, unconsolidated sediments to keep the hole from caving. Even with those, caving at times can be a severe challenge and may even cause loss of a hole. That would be a severe challenge with a budget for only two drill holes.

Additional work is justified and recommended. A work program with a direct cost budget is presented in the following section.

26. RECOMMENDATIONS

Permitting

Proceed with permitting for two drill holes.

Drill Hole Testing

Drill two holes with drilling and sampling techniques which have been proven to work on the unconsolidated sediments and brines of Clayton Valley. The two proposed drill sites (Figure 35 at 454309E, 4185826N and Figure 36 at 455059E, 4186351N) are 1000-1300 feet northwest of the two production wells (Figures 41 and 42) along the property boundary (Figure 43).



Figure 41. Proposed Well Site.



Figure 42. Proposed Well Site.

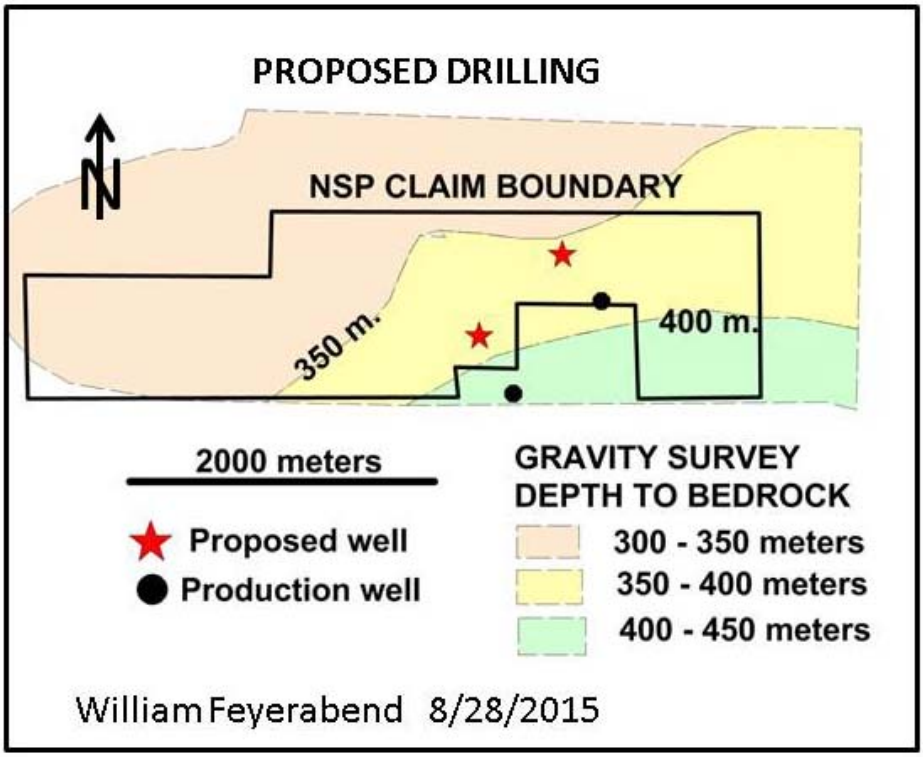


Figure 43. Proposed Well Sites Map.

Budget

A proposed budget of $836,000 for the program is shown in Table 4.

PROPOSED NSP CLAIMS BUDGET			
DRILLING BUDGET DIRECT COST			
	Access Construction / Maintain	$40,000	
	Mobilization	$25,000	
	Drilling	$300,000	
	Production Well 1,200 feet		
	Monitor Well 1,200 feet		
	Drill Water Haulage	$25,000	
	Drilling Additives	$30,000	
	Borehole Geophysics	$15,000	
	Production Well Casing	$55,000	
	Monitoring Well Casing	$30,000	
	Submersible Pumps	$44,000	
	Flow Meters	$25,000	
	Field Lithium Analyses Equipment	$40,000	
	Chemical Analyses	$27,000	
	Project Supervision	$55,000	
	Geological Services	$25,000	
	Subtotal		$736,000
	Contingency		$100,000
	GRAND TOTAL		**$836,000**

Table 4. Proposed Work Budget.

Any subsequent work would be contingent upon favorable results from the two proposed drill holes and would fall under a separate future budget.

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