Estudio Garrido Abogados

Lucas Granillo Ocampo
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Buenos Aires, August 8, 2016

Millennial Lithium Corp.
Suite 2000
1177 West Hastings Street
Vancouver, BC Canada V6E 2K3
Attention: Graham Harris

Ref.: Translation of Pastos Grandes Transaction Document

Dear Mr. Harris:

We are qualified attorneys based in Buenos Aires, Argentina.

We have acted as counsel for Millennial Lithium Corp. (the "Company") in the preparation and negotiation of the offer with reference number "Ref. #2016/01" delivered by the Company, as purchaser, to Jorge Enrique Moreno and Alba Silvia Salas, as sellers, for the acquisition of four mining properties identified as EL MILAGRO (File N°17558), NEPALI 2 (File N°18403), NORTE ARGENTINO (File N°18550) and JORGE EDUARDO (File N°18.693), located at El Salar de Pastos Grandes, Departamento de Los Andes, Province of Salta, Argentine Republic (the "Transaction Document"), which has been accepted by the sellers.

We hereby certify, as counsel to the Company, that attached hereto is an accurate and complete translation of the Transaction Document from the Spanish language original, that we have prepared for the Company.

Yours truly,

ESTUDIO GARRIDO – ABOGADOS

Name: Lucas Granillo Ocampo
Title: Partner

OFFER LETTER
Ref. #2016/01

MILLENNIAL LITHIUM CORP., domiciled at 1177 West Hasting Street, Vancouver, BC Canada, and setting special domicile for proposes hereof at Av. del Libertador 498, piso 23, City of Buenos Aires, Argentine Republic, represented in this act by its Chairman, Mr. Graham Harris, as credited by board resolution that designates him as such, hereinafter **The Buyers** hereby make a formal purchase offer, hereinafter the **Purchase Offer**, to **JORGE ENRIQUE MORENO**, **D.N.I. N° 17.309.104- CUIL/CUIT 20-17309104-5 and ALBA SILVIA SALAS, D.N.I. N° 17.308.809 - CUIL/CUIT 23-17308809-4**, both domiciled at Ruta Nacional 68 Kmt. 173, Cerrillos, Zip Code 4403, Province of Salta, Argentine Republic, hereinafter jointly referred to as **The Seller**, holder of four concessions with perfect titles on four mining properties identified as **EL MILAGRO (File N°17558), NEPALI 2 (File N°18403), NORTE ARGENTINO (File N°18550) and JORGE EDUARDO (File N°18.693),** with a total Surface area of 1221 hectares, located at El Salar de Pastos Grandes, Departamento de Los Andes, Province of Salta, Argentine Republic, hereinafter **THE MINES,** as credited by the Certificate issued by the Court of Mines and of Commerce Registration of the Province of Salta**,** that are attached hereto as **Exhibit I** and form an integral part of this Purchase Offer, subject to the conditions and provisions detailed as follows:

This Purchase Offer is the only offer made by The Buyers to The Seller on the date hereof and shall be considered accepted by The Seller if on or prior to July 20, 2016 The Seller sends The Buyers a written notice accepting its terms and conditions. If the Purchase Offer is accepted by The Seller on the referred to date, it shall be valid and biding on The Seller and The Buyers. Otherwise, it shall be of no effect and shall be considered not written.

1: The Purchase Offer made by The Buyers to The Seller is for 100% of the right of concession, title and interest, free from any retention rights or other liens of THE MINES described above, except as set forth in Section 20.

2: A term of 60 days as from July 20, 2016 is provided for purposes of allowing The Buyers to secure approval of the transaction by the TSX Venture Exchange (the risk capital segment of the Toronto, Canada, stock exchange) to this transaction.

3: Subject to acceptance of the Purchase Offer, which shall occur on or prior to July 20, 2016, The Buyers shall make a cash deposit of US$200,000 (two hundred thousand United States Dollars) to the bank account designated by The Seller, as non-refundable reserve for purposes of maintaining the Purchase Offer until the expiration of the 60 day term (i.e., September 20, 2016), for purposes of allowing The Buyers to secure approval of the transaction by the TSX Venture Exchange (the risk capital segment of the Toronto, Canada, stock exchange), with an additional 15 days for the execution of the definitive purchase agreement that contemplates the conditions set forth in this Purchase Offer (hereinafter the **Definitive Agreement**), final closing of the sale and payment of the amounts referred to in section 4(b), such term shall expire on October 6, 2016. If once the

term referred to in this section expires (i.e., on October 6, 2016), The Buyers have not proceeded with the sale on the terms of this Purchase Offer and paid the amounts agreed to in section 4(b) and signed the Definitive Agreement, the reserve of US$200,000 shall not be reimbursed and shall be kept by The Seller as indemnification payment without any further obligation by The Seller. The terms are of the essence and expiration of the terms shall occur automatically without need of further notice or communication.

4: Conditions for the Definitive Closing of the Sale: a) Only and exclusively in the event of final closing of the sale, the US$200,000 delivered shall form part of the purchase price which shall amount to US$3,200,000 (three million two hundred thousand United States Dollars) plus 1.5% of annual lithium royalties set forth in section 7) (in the understanding that such price shall be increased in the additional amount of up to US$200,000 in the event of application of the provisions of section 30); b) Within 15 day from the day following expiration of the 60 days granted to secure approval of the transaction by the TSX Venture Exchange (the risk capital segment of the Toronto, Canada, stock exchange), with the execution by the parties of the Definitive Agreement that respects each and every section of this Purchase Offer (i.e., October 6, 2016) The Buyers shall pay The Seller on such date the amount of US$1,000,000 (one million United Stated Dollars), in the following manner: the amount of US$500,000 (five hundred thousand United Stated dollars) in cash corresponding to 50% of the first installment, by deposit in the banking and/or financial institutions indicated exclusively by The Seller in the Argentina Republic and/or abroad in the name of The Seller; and the other 50% of the first installment, by issuance to The Seller of 500,000 of its common shares for a minimum value of US$500,000 (five hundred thousand United States dollars) on the date of approval by the TSX, therefore one dollar per share; if the trading value of the shares is less than one dollar per share, additional shares shall be issued to The Seller in an amount necessary to reach US$500,000; if the trading value of the shares is higher than one dollar per share that shall benefit The Seller. The shares shall be delivered and/or deposited in the place and/or institution that The Seller indicates. These shares shall be restricted for sale up to a term of four months from the date of issuance of the shares. Therefore, if the shares are issued on October 6, 2016, they shall be restricted until February 6, 2017.

5: At six months (on the six month anniversary of execution of the Definitive Agreement) (i.e., April 6, 2017), the Buyers shall pay The Seller the amount of US$1,000,000 (one million United States Dollars), on such date, as follows: the amount of US$500,000 (five hundred thousand United Stated dollars) in cash corresponding to 50% of the second installment, by deposit in the banking and/or financial institutions indicated exclusively by The Seller in the Argentine Republic and/or abroad in the name of The Seller; and the other 50% of the second installment, by issuance to The Seller of 500,000 of its common shares for a minimum value of US$500,000 (five hundred thousand United States dollars); if the trading value of the shares is less than one dollar per share, additional shares shall be issued to The Seller in an amount necessary to reach US$500,000; if the trading value of the shares is higher than one dollar per share the Seller shall

receive 500,000 shares in any case. The shares shall be delivered and/or deposited in the place and/or institution that The Seller indicates. These shares shall be restricted for sale up to a term of four months from the date of issuance of the shares. Therefore, if the shares are issued on April 6, 2017, they shall be restricted until August 6, 2017.

6: At twelve months, or one year after the date of execution of the Definitive Agreement (i.e., October 6, 2017), the Buyers shall pay The Seller US$1,000,000 (one million United Stated dollars) in cash by deposit in the banking and/or financial institutions indicated exclusively by The Seller to the legal representative in the Argentine Republic, either in the Argentine Republic and/or abroad in the name of the Seller.

7: The Definitive Agreement shall state that The Buyers are obligated to deliver to The Sellers 1.5% of the royalties for annual gross sales of lithium in THE MINES as from the date that is two years after the last payment of October 6, 2017 (i.e., as from October 6, 2019). During such term The Buyers can purchase the 1.5% of the royalties for gross annual sales of lithium of THE MINES for a purchase price of US$3.000.000 (three million United Stated dollars) paid in cash to The Seller by deposit in the place and banking and/or financial institution indicated exclusively by The Seller in the Argentine Republic and/or abroad in the name of the Seller. After expiration of this term, the 1.5% of these royalties shall be of free disposition by The Seller.

8: The amounts in Dollars referred to in this offer and the Definitive Agreement are expressed and shall be expressed in legal currency of the United States of America or American Dollars. For purposes of determining the value of commercial exchanges in US$ (United States Dollars) with respect to common shares of The Buyers at any date, the exchange rate that shall be used shall be the one of closing of that date in US$ (United States Dollars) for the purchase of Canadian Dollars, published by the Central Bank of Canada or its equivalent.

9: Costs and expenses of wire transfers to be made by The Buyers for the benefit of The Seller, shall be exclusively borne by The Buyers.

10: With the acceptance of this Purchase Offer, The Seller assures, crediting its property rights by means of executing the necessary documents, specially a voluntary prohibition from transferring, selling, negotiating, exploring, exploiting and doing any other activity in THE MINTES represented by four mining properties identified as **EL MILAGRO (File N°17558), NEPALI 2 (File N°18403), NORTE ARGENTINO (File N°18550) y JORGE EDUARDO (File N°18.693),** with a total surface are of 1221 hectares, located at El Salar de Pastos Grandes, Departamento de Los Andes, Province of Salta, Argentine Republic, registered in the Court of Mines in a manner that assures the future transfer of 100% of the property title, the right and interest in THE MINES to The Buyers, free from liens and any retention rights, with the exception of what is stipulated in section 20 (extraction of sodium chloride – common salt) conditioned only to the payment by

The Buyers of all of the amounts agreed to and the issuance of the shares referred to above.

11: Once all of the payment obligations of the agreed to amounts and issuance of the shares are credited in the account that The Seller indicates, as set forth in the preceding sections, The Seller shall transfer in a definitive manner to The Buyers, with execution all necessary documents under the terms and conditions of the agreed to transaction, the THE MINES represented by four mining properties identified as **EL MILAGRO (File N°17558), NEPALI 2 (File N°18403), NORTE ARGENTINO (File N°18550) y JORGE EDUARDO (File N°18.693),** with a total surface are of 1221 hectares, located at El Salar de Pastos Grandes, Departamento de Los Andes, Province of Salta, Republic of Argentina. In parallel The Buyers shall assure by execution of necessary and proper document compliance of section 7 with respect to 1.5% of the royalties from gross annual lithium sales.

12: At any time The Buyers may transfer of assign its interest or any part of this Purchase Offer, only and exclusively in the same terms and this Purchase Offer, to a subsidiary of The Buyers to be set up in the Argentine Republic.

13: The Buyers, in compliance with all applicable laws and regulations, during the term of this Purchase Offer, have the sole and exclusive right, but not the obligation, to execute, at their sole cost and expense, the exploration expenses and lithium investigations of the properties subject to this Purchase Offer, at their sole and absolute discretion, as may be convenient, with the prior payment, on or prior to July 20, 2016, of the US$200,000 (two hundred thousand United States Dollars) reserve payment indicated in section 3 on the date of acceptance of this Purchase Offer.

14: The Buyers, in compliance with all applicable laws and regulations, during the term of this Purchase Offer, may act, at their sole cost and expenses, to carry out all works of “exploration of minerals” as commonly used in the industry. That may be done without affecting the production and sale of sodium chloride (common salt) that shall be carried out by One Borax S.A., company owned by The Seller, in the manner described in section 20 of this Purchase Offer.

15: All exploration work conducted by The Buyers, as from the date of this Purchase Offer, shall be made in accordance with recommendations made by a qualified geologist or mining engineer, at the sole cost and expense of The Buyers.

16: All reports or technical disclosures related to the properties related to this Purchase Offer, necessary to comply with the information requirements of The Buyer, under the applicable laws of the stock exchange, shall be prepared in accordance with the requirements of National Instrument 43-101 published by the Managers of the Canada Securities. The cost and expenses of these reports shall be borne exclusively by the Buyers. A copy of these reports shall be delivered to The Seller.

17: Until the date of closing of the sale, The Seller shall not take any of the following actions: Abandon or forfeit any portion of the property subject to this Purchase Offer, make a sale or similar agreements to sell lithium, with respect to the properties subject to this offer, take any actions that could affect the value of THE MINES or in any way creates hurdles or impedes the perfection of the transactions contemplated in this Purchase Offers, subject to what is agreed to in section 20 of this Purchase Offer regarding the sale of sodium chloride (common salt).

18: Before the date of closing of the sale, The Seller shall receive copies of all geological reports and other financial reports described (thereafter, until the definitive transfer, on a quarterly basis) describing the exploration work and expenses on the property by The Buyers, all of these costs and expenses to be exclusively borne by The Buyers.

19: For the execution of the Definitive Agreement both parties shall provide: usual representations and warranties related to the property title and biannual environmental reports presented with the Mine Court and Commercial Registry and in the Secretary of Mining of the Province of Salta, by The Seller, and with the usual representations and warranties, conditions and corporate, legal and economic capacity by The Buyers.

20: The parties hereby acknowledge that THE MINES are in activity. The parties agree that One Borax S.A. (CUIT: 30-71323210-2) (owned by The Seller) may continue to its sole and exclusive benefit, with tasks related only to the extraction of common salt (sodium chloride), for which purposes it may freely access THE MINES for this sole purpose, being such access on account and risk of One Borax S.A., declaring The Buyers and their representatives that they know the productive process carried out by One Borax S.A. (which characteristics are described in the document attached hereto as Exhibit II), with the clarification that such document was prepared for other purposes and contains values, measures, surfaces, etc., that do not necessarily apply or the mines subject to this Purchase Offer, being attached as Exhibit II for the sole purpose of leaving a description of the general technical characteristics of the productive system utilized by One Borax S.A. for the extraction of sodium chloride (common salt) and which shall not interfere with the geological study programs and others and the exploitation carried out by The Buyers. One Borax S.A. assumes the obligation not to interfere and/or harm the exploration and/or exploitation, nor conduct a different productive system that may interfere with the activities to be carried out by The Buyers which shall be the sole party to exploit the lithium in THE MINES. In the event of conflict, and notwithstanding the continuity of the exploration and/or exploitation of the Buyers, and the extraction of common salt (sodium chloride) by One Borax S.A., both parties agree to carry out an amicable negotiation, advised by necessary technicians, that allows both activities to be carried out. One Borax S.A. agrees to perform all necessary acts, including, but not limited to, preparing all environmental impact reports that may be necessary to file in connection with its exploitation of sodium chloride. The right to extract salt (sodium chloride) is personal to One

Borax S.A. and may not be assigned to any third party under any title. Each of One Borax S.A. and The Buyers declare and assume their exclusive responsibility for the risks involved in the development and carrying out of their respective activities.

21: The Definitive Agreement will provide that The Buyers shall have the right to sell its interest to partners, create joint ventures, under the unavoidable condition to respect the conditions and provisions set forth in this offer and in the Definitive Agreement and shall be subject to the unavoidable prior consent of The Seller until payment of the first installment of US$1,000,000 (one million United States dollars) set forth in section 4.

22: This Offer and the Definitive Agreement shall be interpreted, subject to and apply the laws of the Argentine Republic and the laws of the Province of Salta, waiving any other legal disposition eventually applicable to the subject matter.

23: In the event of any conflict relating to the agreements set forth in this Purchase Offer or in the Definitive Agreement, the parties shall subject such conflict to the Ordinary Courts of the City of Salta, Province of Salta, waiving any other forum or jurisdiction.

24: The parties agree to make all good faith efforts with the purpose of reaching the Definitive Agreement in conformity with this Purchase Offer within the terms described herein.

25: The Seller authorize The Buyers in order to comply with its obligations as a public company, to disclose this Purchase Offer and its terms and conditions, and the identity of The Seller, to the extent required by laws, rules and regulations applicable to The Buyers. The expenses demanded by such regulations shall be exclusively born and paid by The Buyers.

26.- Fees and expenses for the preparation and negotiation of this Purchase Offer of the legal advisors of each of the parties shall be borne exclusively by each applicable party.

27.- Each party shall bear its own expenses in the preparation of this offer and the Definitive Agreement, and Millennial Lithium Corp. shall pay expenses related to stamp, validation and instrumentation of this Offer and the Definitive Agreement.

28.- Both parties agree that the terms agreed to in the Definitive Agreement are of the essence and their expiration shall automatically accrue without need of further notice or communication. In the event of delay in The Buyer in their payment obligations agreed to in the Definitive Agreement set forth in sections 4, 5 and 6, as from the day following expiration of the respective obligations, shall accrue in favor of The Seller as penalty clause during a term of 60 days from the date of expiration of the applicable term for the applicable obligation a 10% monthly interest on the expired obligation, payable 5 days following expiration of the second installment of US$1,000,000 (on million United States dollars) and in the third installment of US$ 1,000,000 (one million United States dollars). After the 60 days have expired all rights of The Buyers shall immediately terminate for the acquisition, exploration,

prospection, exploitation and/or any other right with respect to THE MINES described in section 11 subject to this Offer, and all payments made until such date shall be for the benefit of The Seller as indemnification and without obligation to reimburse.

29.- All notices as from execution of this offer shall be made in writing to the domiciles established by the parties for these effect:

The Buyers: Av. del Libertador 498, piso 23, City of Buenos Aires, Republic of Argentina.-

The Seller: In Ruta Nacional 68 Km. 173, Cerrillos, Zip Code 4403, Province of Salta.-

30.- The parties agree that, notwithstanding anything to the contrary set forth herein, in the event that the approvals from the TSX-Venture Exchange are delayed for more than 60 days from July 20, 2016, The Buyers may at their sole discretion extend the October 6, 2016 date for a maximum of 60 additional days by means of payment of an additional reserve amount of US$ 100,000 for each 30 days of extension. The additional amounts of reserve shall be in addition to the payments described in section 4(b), therefore the final price in that event shall be US$ 3,200,000; US$ 3,300,000 or US$ 3,400,000 according to the option elected by The Buyers. Subject to what is stated in this Purchase Offer, as of the date of execution of the Definitive Agreement the amounts set forth in Section 4(b) shall be paid in the manner therein indicated, as from 6 months the amounts indicated in section 5 in the manner therein indicated and from 12 months the amounts indicated in section 6 in the manner therein indicated. In this event the interest described in section 28 shall not be applicable.

31.- By accepting this Purchase Offer, JORGE ENRIQUE MORENO grants his marital consent to ALBA SILVIA SALAS y ALBA SILVIA SALAS grants her marital consent to JORGE ENRIQUE MORENO for all of the transactions contemplated in this Purchase Offer,

* * * *

MILLENIAL LITHIUM CORP.

_____
Name: Graham Harris
Title: President

EXHIBIT I

Certificates of THE MINES

File No. 22.514.-

_____The undersigned, Dr. VANESSA LIVERATO, Province of Salta's Secretary of the MINING AND COMMERCIAL COURT OF RECORD. CERTIFIES: by virtue of Public Deed No. 69 ASSIGMENT OF RIGHTS AND ACTIONS: on date 09/06/2.015 in the city of Salta, Province of Salta, before the notary public Gustavo Raúl Álvarez R.N. Nº 39; lodged in original and certifies copies on file No. 22.514 between signing **TRAMO S.R.L., C.U.I.T. Nº 30-70851139-7**, with registered address at Las Vicuñitas Street in San Antonio de los Cobres, Los Andes District, Province of Salta; on behalf of Mr. **JORGE ENRIQUE MORENO**, Argentinian, ID No. 17.309.104, C.U.I.L/C.U.I.T No. 20-17309105-5, in his character of managing partner of ASSIGNING firm, as well as in their own right along with Ms. **ALBA SILVIA SALAS**, ID No. 17.308.803, C.U.I.L./C.U.I.T. No. 23-17308809-4, married in first wedlock, domiciled in Paraguay No. 2.765, Salta Capital, ASSIGNEES.-_____

THE ASSIGNOR, SELLS, ASSIGNS AND TRANSFERS for the sum of $100.000 (one hundred thousand pesos) all the rights, obligations and actions they concern over the mines: **1) QUEBRACHO** – File No. 9.149; **2) VIAMONTE** - File No. 13.408 and its EASTMENT OF CAMP – File No. 13.849; **3) JORGE EDUARDO** – File No. 18.693; **4) ALBA SABRINA** – File No. 18.823; 5) GASTÓN ENRIQUE – File No. 18.824; **6) NORMA EDITH** – File No. 18.829; **7) NATALIA MARIA** – File No. 18.830 – File No. 18.830; **8) EL MILAGRO** – File No. 17.588; **9) NEPTALI II** – File No. 18.403 and it EASTMENT OF CAMP – File No. 18.837 (with its request to stop serving the mine NEPTALI and come to serve QUBRACHO mine – File No. 9.149 (with the corresponding report of Catastro Minero); 10) NORTE ARGENTINO – File No. 18.550; 11) ALBA SILVIA – File No. 18.828; 12) TRAMO – File No. 18.993, the ASSIGNEES.-

_____

_____Consequently, the new owners of the mines are: **JORGE ENRIQUE MORENO** y **ALBA SILVIA SALAS**: summons, within a period of 05 (five) days from the date the notice is given, C.P.M. art. 27 Law 7141, to constitute registered address in the files referenced, under penalty of having the Court Secretary as such._____

The assignment entered in the Entry No. 6 of the Assignees, sales and transfers book No. 14.-

_____SECRETARIAT; September 3rd 2015.-_____

"Gral. Martín Miguel de Güemes Héroe de la Nación Argentina"
LAW REGISTRATION PROGRAM
CERTIFICATE OF INHIBITION

Salta, June 8th 2016
Ref. File No. 29-786811/16

---------- Attentive as requested, this department CERTIFIES: That, ALBA SILVIA SALAS – CUIL No. 23-17308809-4, it is not inhibited to dispose of their property.—
---------- Will be issued, to be submitted in: TO WHOM IT MAY CONCERN.----------
OJV.-

SIGNATURE – GENERAL DIRECCTION OF MINERALS

LAW REGISTRATION PROGRAM
Salta, June 8th 2016
REF. FILE No. 29-786811-16

Mr. Jorge Moreno/Ms. Alba Salas

I am pleased to write to you, to the reference, to submit – attached to the present the corresponding "CERTIFICATES OF INHIBITION" .

Yours sincerely

SIGNATURE – GENERAL DIRECCTION OF MINERALS

C E R T I F I C A T E

The undersigned, LAURA VALERIA VIERA in charge of the Catastro Minero Program's Office of the Province of Salta's Secretariat for Mining, CERTIFIES: that the mines detailed below, according to our registers, no money is owed to Canon Minero up to now (last semester paid 1st of 2016).----------

FILE No.	TYPE	NAME
17.588	Mine	El Milagro
18.403	Mine	Neptali II
18.550	Mine	Norte Argentino
18.693	Mine	Jorge Eduardo

At request of JORGE E. MORENO, ID No. 17.309.104, through administrative record No. 0090143- 118181/ 2016- 0 and to be submitted To Whom It May Concern, extends this certificate in Salta Capital this eight (08) day of June two thousand sixteen (2016).--------

SIGNATURE – SECRETARY OF MINES

Salta, June 3rd 2016

Real Property General Manager
Of Salta Province
S_____/_____D:

Jorge Enrique Moreno, CUIT: 20-17309104-5 and Alba Silvia Salas, CUIL: 23-17308809-4; by their own rights, come to ask you let us know if there is any inhibition registered to have our goods, if so issue non inhibition certificate, with respect to these people.
Yours Faithfully,

Jorge Moreno
ID 17.309.104

Alba Salas
ID 17.308.809

"Gral. Martín Miguel de Güemes Héroe de la Nación Argentina"

LAW REGISTRATION PROGRAM
CERTIFICATE OF INHIBITION

Salta, June 8th 2016
Ref. File No. 29-786811/16

---------- Attentive as requested, this department CERTIFIES: That, JORGE ENRIQUE MORENO – CUIT No. 20-17309104-5, it is not inhibited to dispose of their property.—
---------- Will be issued, to be submitted in: TO WHOM IT MAY CONCERN.----------
OJV.-

SIGNATURE – GENERAL DIRECCTION OF MINERALS

EXHIBIT II
PRODUCTIVE PROCESS CARRIED OUT BY BORAX S.A.

OBJECTIVE: PRODUCTION AND INDUSTRIALIZATION OF COMMON SALT FOR INDUSTRIAL AND BIOCONSUMPTION USAGE

Concessionaire: JORGE MORENO
MINING PROPERTIES
Mine NORTE ARGENTINO, FILE No. 18.550/07
Mine EL MILAGRO, FILE No 17.588
Mine JORGE EDUARDO, FILE No 18693
Mine NEPTALI II, FILE No 18.409

Location: Salar de Pastos Grandes, Los Andes District, Province of Salta.-

Technical and legal background: Mining Court and Trade Registry, Secretariat for Mining of the Province of Salta.

I. – SUMARY

The Puna (Northwest Argentina), has a particular physiognomy; it highlights many depressions that constitute centripetal drainage areas at considerable heights, for example, Pastos Grandes Salt Flats at 3700 meters high.
From the Holocene to recent times, The Puna has suffered extremely dry conditions that provided evaporites depositions and form deposits of mineral reserves, especially borates, sulfates, chlorides and anomalous boron brines, lithium and potassium.

The production background indicates that the sodium chloride, extracted from desert saline environments, is intended for national market for human, industrial and livestock consumption.

THE ONEBORAX PROJECT, formulated for the common salt production in Pastos Grandes Salt Flats, can have significant advantages:

a.- self-generated energy and industrial water.
b.- road and rail infrastructure.
c.- artisanal and simple extractions techniques.
d.- high sodium chloride's chemistry purity.
e.- two periods of common salt harvesting season, either through mechanical scraping or natural crystallization pools.
f.- skilled workforces in the area.
g.- own freights available.

II.- Brief description of the Mining Activity

Within the overall picture of the **ONEBORAX PROJECT** operations and which involves common salt extraction activities, collection, transportation, industrialization, and distinguished sequences can be set between those that complies in mines, and when the material is stationed in the stockpile areas – equipment load and finally transporting it to the industrial plant to further national market supply using their own equipment, truck with frames and trailers up to 30 tons and railway carriage.

II.1.- Type and form of the field

Pastos Grandes Salt Flats constitutes a typical evaporation deposit, stuffed controlled by a structural trap defined by regional fractures with a north-south course running through the east and salt flats' west; the presence of inactive geysers must be underlined that shows the brines suggestion.-

Given the morphological-structural configuration of endorheic basin, to the Pastos Grandes Salt Flats' environment (as the lowest topographic dimension in 3.750 meters high) when the surface drainage joins the Santa Rosa River's subsurface of the Pastos Grandes' drainage from the north and Sijes Rivers, through the east, associated with many streams and gullies that start in the orographic positive elements that surround it through the east (Sierra de Copalayo) and west.

II.2.- Minerals, the object of activity

The high saline concentration (common salt or sodium chloride) would be produced as a consequence of the superficial and sub superficial drainage dissolved during its course, the minerals and soluble substances located in the regional

environment and in the Salt Flat, prevailing climate conditions (intense solar radiation, constant and dry winds, high heliophany and humidity) produce the solvent's (water) evaporation and the solid phases (Halite crystals) because of overwhelming.
Field monitoring carried out by the **ONEBORAX PROJECT'S** properties, allows to consider the following vertical profile, to select the basic parameters needed to face the mining development:

a) Superior Economical unit

Mantle deposits that cover the current field area; consists on a thin sodium chloride layer (common salt) with industrial quality (sodium chloride over 97%) white and homogeneous crystalized.
Its average power range is between 1 and 2 centimeters.

It morphologically constitutes the typical "polygonal floor" or "temporary crust" strongly toughened by the natural crystallization.

This temporary crust is the one being exploited in the ONEBORAX'S PROJECT through conventional methods of mechanical scrape in the first harvesting between March and July and the natural crystallization pools of surface brine's exploitation, as a second harvesting during August and November.

With the development of infrastructure investment, incorporating machinery, startup and transportation equipment already made, allows the development of startup methods for extraction of common salt of high purity or law in CINa (sodium chloride) higher than 98%.

The harvest is related to natural crystallization procedures, takes place immediately after spring rains (between December and March). Second harvest is related to increase in naps under the ground at the end of the winter period.
After one calendar year, al least two productive harvests may be made, with the first one of maximum capacity because of the increased with of the mass to be mechanically extracted.

The interpretation of the mechanisms through which the surface is renewed is fundamental to project the economic recuperation of the place and the mining business.

b) Inferior Economical unit

Corresponds to the "permanent surface" that is below the ground. It is a surface of compact natural salt that is strongly crystalized, of more than 200 centimeters and is responsible for giving support value to the salt surface, allowing movement of machinery for the extraction and transit of heavy equipment.

c) Subtraction: Sands.

Deric fills in lateral and vertical. High content of organic material. Salts enriched with sodium chloride.

d) Salts (brines).

The enriched salt in sodium chloride, occurs on a surface form. The first level is proximate to the ground, is of minimum mobility and is between the polygonal ground and the surface.
Its volume is feed in rain season, constitutes the bases of the economic recovery through the natural crystallization of the surface.

III.- DETERMINATION OF MEASURED RESERVES: Fundamentals

According to the described profile, special economic consideration is given to the "temporary area or polygonal ground", the "permanent area" and the levels of subjacent salts, because, due to the high concentration of sodium chloride, straight morphology, high support value, periodical renewals, they are considered exploitable economic units.

The fundamental process occurs at a time after spring rains, because they generate superficial and underground currents that during the infiltration result in chemical dissolutions transporting to lower land the components that are then crystallized as a result of natural conditions of the area.

This physical and chemical process is sued for the extraction of salt, through the typical mechanical methods to extract common salt for industrial use (more than 97% CINa) and human use (more than 98%) through the construction of natural crystallization pools.

In both method mechanisms are used to accelerate the evaporation of the natural solvent (water).

The application of physical and chemical principles control the deposit of sodium chloride in the evaporation areas, that allow the characteristics of **PROYECTO ONEBORAX** that result in an extended deposit of potential reserves of different forms of common salt (sodium chloride).

Taking into account the kind of surface area, it is possible to apply to the extraction (harvest), the conventional mechanical methods combined with manual harvest in artificial crystallization pools.

The useful life of the area is subject to the continued natural environment for evaporation, physical and chemical occurrence of the materials present in the field and fundamentally the rational and technical use of the area.

Bases of exploration works, we have selected two areas of economic recovery for the construction of artificial pools and for mechanical harvest. For suh purposes the vertical and horizontal sequence of the surface is controlled, and the volume of rain in the spring season, with measurements made in spring and winter times.

In accordance with the evaporation nature of the common salt, the conventional methods selected are the most adequate in terms of extraction and quality of the final product for industrialization.

With respect to the natural crystallization methods in artificial pools, these units shall be specially designed in surface and depth. Its dimensions of 50 square feed of surface and 200 centimeters of height.

The results can be easily evidenced in the Salar del Rincón, where the crystallization units are 6 square meters of surface (3 meters long and 2 meters wide) and 50-70 centimeters of average depth, provide approximately 2 tons of mineral per harvest per pool.

For this particular project, maximum estimated potency of the crystalized mass to secure in each pool will be of 150 centimeters.

In all cases the advantage natural annual rains between January and March will be used, which provide high amounts of superficial saturated salts and further stationing in large evaporation areas of low heights.

The evaporation conditions in the area play a fundamental role in the production of common salt to be harvested from the mines that form part of PROJECT ONEBORAX.

The harvest in artificial pools and the packaging and loading will be made in mechanical manners.

In the economic evaluation of PROJECT ONEBORAX the following aspects are considered;

a. Selected surface are of 1,221 hectares approximately of the mines owned by **JORGE MORENO.**

b. Thickness (1–2 cm) of the surface areal or temporary area, enriched with sodium chloride (96-98%).

c. Natura and potency of permanent area (higher than 300 cm).

d. Annual volume of rains in spring (100-150 mm per year).

IV.- METHOD OF PRODUCTION OF COMMON SALT IN PROJECT ONEBORAX

Method: Natural crystallization in pools, mechanical withdrawal in Mines MILAGRO, NORTE ARGENTINO, NEPTALI II and JORGE EDUARDO.

TECHNICAL METHOD

METHOD: EXTRACTION THROUGH MECHANICAL WITHDRAWAL.

Harvest: January or December
Selected area is 1,221 hectares and in the production the following machinery is used: leveling machines, shoveling machines, trucks, logistical support mobiles, lubricants, mining camp.

METHOD: PRODUCTION IN NATURAL CRYSTALLIZATION POOLS.

Harvest: January or December

In the production, caving machines are used, shoveling machines, trucks, logistical support mobiles, lubricants, mining camp.

Summary.

Common salt extracted in a mechanical manner or through hand labor in pools, will be stationed in the mine. There they will naturally dry up and will be packaged and then transferred to transportation trucks to industrial plant.

The process occurs fundamentally as a result of summer rains that fall directly on the area or feed superficial or underground currents, that during its trajectory result in solutions being transported to the low lands. The natural crystallization processes give Project ONEBORAX relevant economic value.

This physical and chemical mechanism is used for the extraction of salt, through the typical extraction procedure for the use of industrial salt (law superior at 97% sodium chloride).

Packaging

The common salt that is dry shall be packaged in flexible sacs of 40 kilograms of average capacity. Then the bags are sealed and packaged for transportation.

10.- Transport

Common salt that is packaged will be loaded in a mechanical manner to trucks with 29kg maximum capacity, for its transport from the field to the industrial plant.

Minimum equipment for internal transportation equipment for transport 360 days a year, independent of rains or winter season, will be of:

11.- Mining infrastructure

Necessary and sufficient investments have been made to develop the project, therefore the aspiration is to automatize the process for higher margins and less costs.

11.1.- Internal Access: Road construction

Due to good conditions of National Road N° 51 and Provincial N° 129, it is only necessary to maintain not more than 5 km. of internal road from the roads to the site.

A 3 km road (6 meters wide) in compacted area made connection of the outside boundaries of the site, where the campo was constructed and the storage for common sat. These works, specially the camp, are outside the mines **Mine NORTE ARGENTINO, Mine EL MILAGRO, Mine JORGE EDUARDO and Mine NEPTALI II.-**

For purposes of securing a continued provision of common salt to the industrial plant and due to access problems in rain season, the program of mining road of 3 km, included the construction of an surface area of 2 km (6 meters wide and 50 centimeters of height) to support transit in a normal manner.

11.2.- Generation and transport of energy

Energy consumption will be minimum and refers to consumption – personal clearing in the camp and functioning of the repair room, installed outside the mines. In the are there are no electrical networks and therefore it must general at its own cost through electrical equipment and or generators of at least 25 HP with explosion motors equipment with command equipment and accessories.

Use of gas refers to the availability of diesel fuel and or lubricants for the use of leveling machine, mechanical machines, tractor which are estimated at:

Diesel fuel for leveling machine: 60 lts per 8 hour day.
Diesel fuel for mechanical shovel at 20 lts per day.
Trucks for loading: 80 lts per day.
Trucks: 40 lts per day.
The maintenance of the equipment and trucks are carried out outside the limits of the mines, in near locations, and therefore will not generate waste in the site.

Detail of other used in the site (materials and substances)
Only those referred to the security of the personnel. Gloves, googles, clothing, boots.
Tools such as shovels, barrettes, mases, etc.

11.3.- Use of the central mining campo, such camp is located outside the mining properties referred to in this exhibit:
.- rooms equipped for at least 15 persons.
.- kitchen – dining room complete for 15 persons
.- Office.
,- Radio room
.- Machinery room
.- Storage room
.- Garage for tires and metals
.- Covered deposit for tools of operations and manuals, machinery and empty bags of 50 to 1,000 kilograms
.- Radio equipment for communication with registered frequency, trademark Yaetsu equipped with antenna and anti rays. Cellular/satellite phone, etc.
.- Chemical toilets
.- First aid kit and general sanity equipment

12. Occupied personnel. Estimated quantity for each Project stage. Origin and classification of workers..

It is estimated than in Project Oneborax the following personnel will work as from the beginning of Operations of 8 hours per day, 24 days a month and 10 months a year, allowanced made for non-business days and annual vacations:
Personnel resident in the area:
One driver for logistical support of the mine.
Operation of Mechanical Withdrawal:
Una equipment handler
One mechanical maintenance official