



July 18, 2019

Sr. Fernando Miguel Godoy
President
Salares del Norte S.A.
Balcarce 583 1 de piso
Salta Capital, Argentina

Via e-mail: president@salaresdelnorte.com; motorsport4x4@hotmail.com

Copy to: Jorge Vallmitjana, VP International; vall@vallmitjana.com

Dear Sr. Godoy,

RE: Indio Property Valuation Report

Roscoe Postle Associates Inc. (RPA) was retained by Salares del Norte S.A. (Salares) to complete a desktop valuation of the Indio property (the Property) located in the Tinogasta Department of Catamarca Province, Argentina, and prepare a letter report summarizing the results of the valuation (the Valuation Report).

RPA understands that the Valuation Report will be used by Salares for internal purposes and will not be disclosed to the public. The effective date of this valuation is February 28, 2019.

All currency in this report is in US dollars (US\$ or \$) unless otherwise stated.

In this Valuation Report, the basis of value is Fair Market Value (FMV), which can be defined as the price that an informed, willing, and independent purchaser would pay to an informed, willing, and independent seller, at a specific time.

RPA relied on technical data and related information supplied by Salares. To complete this Valuation Report, RPA also relied on additional information available in the public domain, as well as a proprietary database of information on market transactions on mineral properties to which RPA subscribes.

SUMMARY

RPA has derived a range of values for the Indio property using the Market Approach (Comparable Transactions Analysis). A comparable transaction range of values has been derived on a dollar per hectare (\$/ha) basis for the Property.

RPA estimates that the FMV of the Property is in the range of \$1.4 million to \$2.7 million as of February 28, 2019 (Table 1).



TABLE 1 COMPARABLE TRANSACTIONS VALUATION OF THE INDIO PROPERTY

Salares del Norte S.A. – Indio Property Valuation

Value Basis	Area (ha)	Range of US\$/ha Values		Range of Property Values (US\$)	
		Low	High	Low	High
		Comparable Transactions	9,113	150	300
FMV (rounded)				\$1.4 million	\$2.7 million

DISCLAIMER

This report has been prepared by RPA at the request of Salares del Norte S.A. (the “Client”). Any use of this report is subject to the agreed terms, conditions and limitations (the “Terms of Business”) contained in the RPA proposal accepted by the Client on March 29, 2019, which Terms of Business are incorporated into this Disclaimer by reference. The report may only be used by the Client in connection with its review of the Indio Project and shall not be used or relied upon for any other purpose or by any other party, without the written consent of RPA. RPA accepts no responsibility for damages, if any, suffered by any third party as a result of reliance on, decisions made or actions taken based on this report. If RPA specifically consents in writing to the use of and reliance on this report by any party other than the Client, such use and reliance shall be in all respects subject to the Terms of Business, including the limitations of liability set forth therein. In no event will RPA have aggregate liability to the Client or any third parties in excess of the limitations set forth in the Terms of Business.

The information, conclusions, opinions, and estimates contained herein are based on:

1. information available to RPA at the time of preparation of this report,
2. assumptions, conditions, and qualifications as set forth in this report, and
3. data, reports, and opinions supplied by the Client and other third-party sources.

While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of RPA and RPA does not guarantee the validity or accuracy of conclusions or recommendations based upon that information. While RPA has taken all reasonable care in producing this report, it may still contain inaccuracies, omissions, or typographical errors.

The report is intended to be read as a whole, and sections should not be read or relied upon out of context.

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BACKGROUND

The Indio property is located in the Department of Tinogasta, Catamarca Province, northwest Argentina, within the Maricunga Metallogenic Belt. The Property consists of two non-contiguous blocks totalling five mineral tenures for a total of approximately 9,113 ha. The mineral tenures involved are listed in Table 2. Since the two blocks are in close proximity to each other, RPA has treated them as a single property with an area of 9,113 ha for the purposes of this valuation.



TABLE 2 MINERAL TENURES
Salares del Norte S.A. – Indio Property Valuation

Tenure	Area (ha)
Indio 1	713
Indio 2	1,561
Indio 3	1,812
Indio 4	2,102
Indio 5	2,925
Total	9,113

The Maricunga Metallogenic Belt straddles the Chile-Argentina border and consists of a series of coalescing composite, latest Oligocene to Miocene andesitic to rhyolitic volcanic complexes and co-magmatic subvolcanic stocks that extend for 200 km along the western crest of the Andes. The volcanic rocks, which host multiple associated porphyry gold ± copper and high sulphidation epithermal gold ± silver deposits, as well as numerous other smaller mineral occurrences, overlie older sedimentary and volcanic rocks of Mesozoic and Palaeozoic age. The Marte-Lobo gold porphyry deposit, the Refugio past-producing gold mine, the La Copia gold-silver mine, and the Cerro Casale porphyry copper-gold deposit are located in the Maricunga Belt.

An initial geochemical sampling program was undertaken by Salares on the Property in 2019. Seventeen surficial samples were taken from widely spaced localities and analyzed for gold, silver, and copper as well as a number of potential pathfinder elements. Results were relatively low, however, more sampling is needed considering the strategic location of the Property in the Maricunga Belt.

VALUATION APPROACH AND METHODOLOGY

GENERAL CONSIDERATIONS

Primary considerations in the valuation of mineral properties are their geological setting and potential plus their locations with respect to established infrastructure, most notably permitted mill facilities and tailings disposal areas. Standalone, isolated projects in non-producing jurisdictions will most likely face prolonged scrutiny and extensive pre-production periods. Exploration properties in established mining areas and within known productive geological environments often have a premium value because of the higher perceived potential for discovery of a mineral deposit and because of developed infrastructure. Alternatively, mineral properties remote from areas of infrastructure but with good geology often have lower values. Political stability and the rule of law directly impact property values.

VALUATION APPROACHES

As in other fields, the three main approaches to valuation of mineral properties are Income, Market, and Cost Approaches. For the valuation of the Indio property, RPA has used the Market Approach (Comparable Transaction Analysis and Option Agreement Terms Analysis). The Cost Approach was not used because RPA considers that the exploration expenditures to date are minimal and the Appraised Value would significantly undervalue the Indio property in view of its strategic location.

The Income Approach (usually Discounted Cash Flow analysis) can only be used on properties with mineral reserves and/or mineral resources, and therefore is not appropriate for valuation of



the Property since it is at an early stage of exploration and there are no mineral reserves or resources.

The following sections describe the methods used.

COMPARABLE TRANSACTIONS ANALYSIS

The value of a non-producing mineral property depends on its perceived potential for the existence and discovery of an economic mineral deposit. The potential in turn depends on a number of factors that must be considered when choosing market comparables. These comparability factors include such items as geology, mineralization, stage of exploration and results, mineral resources, location and geography, and political jurisdiction. The date of the market comparables must be within a reasonable time period of the valuation date of the subject property. The Option Agreement Terms Analysis Method was utilized to value most properties used as market comparable transactions. The method is described in articles by W.E. Roscoe (2003 and 2007).

Although it is difficult to find good market comparables because of the unique nature of mineral properties, these difficulties are compensated for by analyzing a number of transactions on similar properties to develop a range of values for the subject property.

Since market transactions on exploration properties are typically option, earn-in, or joint venture agreements whereby one party can earn an interest in the property, the agreement terms, to the extent known, are analyzed to estimate a value for each property transaction using Option Agreement Terms Analysis, which is described below.

For valuation purposes, market comparables can be expressed in terms of total property value, value per unit area (e.g., \$ per hectare), or value per unit of metal contained in mineral resources (e.g., \$ per ounce of gold, or \$ per pound of copper). The market comparable value can be used to estimate the value of the subject property by using the total property value, unit area value, or contained metal value.

OPTION AGREEMENT TERMS ANALYSIS

The Option Agreement Terms Analysis Method was utilized to value most properties used as market comparable transactions. The method is described in articles by W.E. Roscoe (2003 and 2007).

Most market transactions on non-producing mineral properties are not straightforward cash or share deals, but rather are typically option, earn-in, or joint venture agreements whereby one party obtains the right to earn an interest in the property from another party by fulfilling certain commitments over a period of time. The terms of the option or earn-in agreement must be analyzed to estimate a value for the property being transacted.

In a typical option agreement, a schedule of firm and optional commitments must be fulfilled to earn an interest in the property. The commitments may include payment of cash, issue of shares by the earn-in party, expenditures on mineral exploration, and royalties on production. In general, the commitments are firm in the first year and optional in subsequent years.

Option Agreement Terms Analysis considers the firm commitments to contribute 100% to the value of the property. The optional commitments are assigned a subjective probability of the earn-in party fulfilling each of the annual commitments in the subsequent years of the agreement. The optional commitments multiplied by the probability factor for each year are considered to be



the contribution to value. The transaction value is the sum of the firm commitment values and the probability-weighted optional commitment values. If the transaction is for a partial interest in the property, the value is adjusted to a 100% interest in the property.

The Option Agreement Terms Analysis Method was used by RPA in its analysis of comparable transactions in order to derive transaction values.

VALUATION OF THE INDIO PROPERTY

ANALYSIS OF SOUTH AMERICAN PROPERTY TRANSACTIONS

Comparable transactions analysis involves compilation of data on mineral properties similar to the subject property on which transactions have taken place within a reasonable time period of the valuation date. The transaction values, expressed in terms of the total property value and value per hectare, are analyzed to derive an appropriate range of property values and \$/ha or \$/ounce of gold values to apply to the subject property.

RPA compiled information on market transactions by companies listed on various stock exchanges and actively exploring gold-silver-copper properties for the period from January 2017 to February 2019. RPA focussed its search for comparable transactions on gold-silver and copper-gold-silver exploration properties without resources located in Argentina, Chile, Peru, Ecuador, and Colombia. Numerous such transactions were identified with the use of a proprietary database compiled by SNL Financial (SNL).

The agreement terms were analyzed to estimate a value for each property transaction. In cases where the transaction was for less than 100% of the property, the value was adjusted to a 100% interest in the property. Values per hectare (\$/ha) were calculated for each property from the total property value and the area in hectares. Property values were adjusted for any royalties.

In order to compile data on market transactions on exploration properties that are comparable to the Indio property, RPA used the following criteria:

- Comparable transactions for gold-silver and copper-gold-silver exploration properties without resources were sought from properties in Argentina, Chile, Peru, Ecuador, and Colombia.
- Although in practice it can be difficult to do, transactions for properties without resources were selected which have property areas in the same order of magnitude as the subject property. This is because, in general, very large properties tend to have lower values per hectare and very small properties tend to have higher values per hectare.
- Transactions with dates from January 2017 through February 2019 were selected for the February 28, 2019 valuation date of the Indio property.
- Transactions were not deemed applicable if the 100% estimated property value did not reflect a reasonable dollar amount supportive of the requirements for ongoing exploration.
- Transactions selected were all arm's length, to the best of RPA's knowledge.

Considerations in choosing an appropriate range of \$/ha values to apply to the subject property include:

- Examine mean and median values as well as the overall range of values.
- Consider eliminating outliers at the high and/or low end of the value range.



- Consider properties in different size range.
- Check to see if property values increase or decrease over the time period used.
- Consider which properties are more similar to the subject property.
- Round off property values and \$/ha values appropriately.

Table 3 lists 37 market transactions for gold-silver and gold-silver-copper exploration properties without Mineral Resources in Argentina (6), Chile (10), Peru (10), Ecuador (3), and Colombia (8). For all transactions, the \$/ha values range from \$22 to \$21,949 and the mean and the median values are \$2,234 and \$600, respectively, and the coefficient of variation (CV) is 213%. The CV is a measure of variability of the data.

RPA has divided the comparable transactions into three groups based on the size of their respective properties; properties greater than 30,000 ha in area (three properties), properties from 5,000 ha to 30,000 ha in area (15 properties), and properties less than 5,000 ha in area (19 properties). Given the size of the Indio property (9,113 ha), RPA concentrated its analysis on the group of properties from 5,000 ha to 30,000 ha in area.

For all transactions on properties from 5,000 ha to 30,000 ha in area, the \$/ha values range from \$45 to \$1,669 and the mean and the median are \$367 and \$160, respectively, and the CV is 123%. Without the highest \$/ha value property, which is considered to be an outlier, the mean and the median are \$274 and \$162, respectively, and the CV is 102%. For the middle seven \$/ha values, the range is \$109/ha to \$340/ha, the mean is \$193/ha, the median is \$160/ha, and the CV is 44%.

Based on the above analysis, RPA recommends a range of \$/ha values of \$150 to \$300 for properties of 5,000 ha to 30,000 ha in area.



TABLE 3 COMPARABLE TRANSACTIONS ANALYSIS FOR SOUTH AMERICAN PROPERTIES
Salares de Norte S.A. - Indio Property Valuation

Property	Location	Transaction Date	Equity Earned	Buyer	Seller	Size (ha)	Property Value 100% (US\$)	US\$/ha
Chicharron (30%)	Colombia	12-Jun-18	30%	Sandspring Resources	Gran Colombia Gold	386	8,472,500	21,949
Chicharron (70%)	Colombia	12-Jun-18	70%	Sandspring Resources	GA Mine	386	6,654,286	17,239
Cushuro	Peru	27-Jul-18	100%	VI Mining	Karmin Exploration	2,477	27,500,000	11,102
Chuscal	Colombia	06-Dec-18	51%	Metminco	AngloGold Ashanti	500	3,676,470	7,353
Cauca	Colombia	18-Jun-18	70%	Miranda Gold	Carboandes	1,808	5,285,715	2,924
La Victoria B	Peru	28-Feb-18	15%	HER Resources	Eloro Resources	4,488	12,666,667	2,822
Las Dos Marias	Chile	22-Aug-18	60%	Hochschild Mining	Auryn Mining	3,000	7,583,333	2,528
Cerro Buenos Aires	Chile	29-May-18	60%	Teck Corp.	Revelo Resources	1,500	3,391,666	2,261
Loro	Chile	05-Jun-17	100%	Hochschild Mining	Revelo Resources	4,800	7,651,515	1,594
Villa Hermosa	Peru	01-Mar-18	100%	VI Mining	Investor Group	400	475,000	1,188
Las Openas	Argentina	22-Jan-19	95%	Dark Horse Resources	Genesis Minerals (Argentina)	1,462	1,289,500	882
Bramaderos	Ecuador	10-Apr-17	51%	Sunstone Metals	Cornerstone Capital	4,949	4,251,700	859
Pijili	Ecuador	29-Mar-18	80%	Adventus Zinc	Salazar Resources	3,246	2,702,500	833
La Esperanza	Peru	15-Oct-18	100%	Minnova Corp.	Inkari Comercialazallora	700	564,000	806
Santiago	Ecuador	23-May-18	80%	Adventus Zinc	Salazar Resources	2,350	1,862,625	793
Tacora & Andamarca	Peru	03-Aug-17	100%	Auryn Resources	Private Vendors	1,100	659,900	600
Rio Loa	Chile	12-Apr-17	100%	Fiore Exploration	Undisclosed Vendor	1,000	587,755	588
Becker	Chile	01-Mar-18	85%	Santana Minerals	Collerina Cobalt	2,000	972,412	486
La Pantera	Colombia	14-Jul-18	50%	Origin Gold	Mining Solutions	1,734	472,000	238
La Victoria A	Peru	03-Mar-17	25%	Cott Oil & Gas	Eloro Resources	8,040	13,418,000	1,669
Zancudo	Colombia	16-Mar-17	65%	IAMGOLD Corp.	Gran Colombia Gold	6,001	5,307,692	884
Anza	Colombia	10-Sep-18	65%	Newmont Mining	Orosur Mining	20,750	17,846,150	860
Gorbea Projects	Chile	28-Jan-19	51%	Newcrest International	Mirasol Resources	26,684	12,549,000	470
Los Tambos	Peru	28-Feb-18	60%	IAMGOLD Corp.	Pucara Resources	7,600	2,583,333	340
Altazor	Chile	21-Nov-17	51%	Newcrest International	Mirasol Resources	22,900	6,470,588	283
Indra	Chile	29-Aug-18	51%	Hochschild Mining	Mirasol Resources	21,000	3,794,120	181
Las Lomas	Peru	20-Aug-18	100%	Cautivo Mining	Minera Ate	7,169	1,146,200	160
Seven Gold Properties	Peru	11-Apr-17	100%	Prospectors Resources	Milpo	19,000	2,750,000	145
Guadualejo	Colombia	15-Aug-18	100%	Antioquia Gold	Investor Group	5,245	695,000	133
Marcelina	Argentina	25-Jan-19	100%	Miranda Gold	Undisclosed Vendor	5,700	621,320	109
San Guillermo & Reprado	Chile	17-Jul-17	100%	Austral Gold	Revelo Resources	16,135	1,350,250	84
Minasnioc	Peru	03-Jan-18	60%	IAMGOLD Corp.	Duran Ventures	7,300	537,500	74
Cachi	Argentina	14-Jun-18	95%	Dark Horse Resources	Tres Cerros Exploraciones	17,300	1,133,420	66
Lomas de Puquios	Chile	17-Jun-17	100%	Fiore Exploration	Undisclosed Vendor	8,300	375,000	45
Six Properties	Argentina	05-Sep-18	100%	Centenera Mining	Tres Cerros Exploraciones	32,900	2,097,300	64
Esperanza	Argentina	03-Oct-17	100%	Falcon Gold	Esperanza Resources	36,034	1,325,860	37
Santa Cruz & Rio Negro Portfolio	Argentina	20-Dec-18	80%	E2 Metals	Circum Pacific	90,000	1,939,600	22
All transactions				Average		10,712	4,664,862	2,234
				Median		4,949	2,583,333	600
				Std Dev		16,476	5,773,219	4,752
				CV		154%	124%	213%
All transactions without 4 highest and 1 lowest \$/ha				Average		9,456	3,886,157	781
				Median		5,473	1,979,963	537
				Std Dev		9,920	4,515,831	838
				CV		105%	116%	107%
Properties <5,000 ha without 4 highest and 1 lowest \$/ha				Average		2,343	3,567,449	1,369
				Median		1,904	2,282,563	871
				Std Dev		1,529	3,622,031	884
				CV		65%	102%	65%
Properties 5,000 to 30,000 ha				Average		13,275	4,705,172	367
				Median		8,300	2,583,333	160
				Std Dev		7,451	5,531,193	450
				CV		56%	118%	123%
Properties 5,000 to 30,000 ha without highest \$/ha				Average		13,649	4,082,827	274
				Median		12,218	1,966,792	152
				Std Dev		7,585	5,166,323	280
				CV		56%	127%	102%
Properties >30,000 ha				Average		52,978	1,787,587	41
				Median		36,034	1,939,600	37
				Std Dev		32,100	407,567	21
				CV		61%	23%	53%
Middle 7 \$/ha values				Average		12,659	2,580,080	193
				Median		7,600	2,583,333	160
				Std Dev		7,893	2,085,070	86
				CV		62%	81%	44%
Range of middle 7 \$/ha values						\$109 to \$340 ha		
Recommended Range of \$/ha Values for Properties 5,000 ha to 30,000 ha						\$150 to \$300/ha		



Applying this range to the 9,113 ha Indio property results in a range of \$1.4 million to \$2.7 million (Table 4).

TABLE 4 COMPARABLE TRANSACTIONS VALUATION OF THE INDIO PROPERTY

Salares de Norte S.A. – Indio Property Valuation

Value Basis	Area (ha)	Range of US\$/ha Values		Range of Property Values (US\$)	
		Low	High	Low	High
Comparable Transactions	9,113	150	300	1,366,950	2,733,900
FMV (rounded)				\$1.4 million	\$2.7 million

VALUATION ANALYSIS AND CONCLUSIONS

RPA has derived a range of values for the Indio property using the Market Approach (Comparable Transactions Analysis). A comparable transaction range of values has been derived on a \$/ha basis for the Property.

RPA estimates that the FMV of the Property is in the range of \$1.4 million to \$2.7 million as of February 28, 2019

RPA understands that Salares intends to complete additional work on the Indio property, including additional sampling and drilling, and may require an update of the valuation report upon completion of the proposed work.

RPA would like to thank Salares for the opportunity to work on this project. Should you have any questions, please do not hesitate to contact us at any time.

Sincerely,
Roscoe Postle Associates Inc.

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SOURCES OF INFORMATION

Roscoe, W.E., 2003: Valuation of Non-Producing Mineral Properties: Proceedings of the Fifth Joint Business Valuation Conference of the Canadian Institute of Business Valuators and the American Society of Appraisers, Orlando, October 24-26, 2002; The Journal of Business Valuation 2003, pp. 305-327.

Roscoe, W.E., 2007: Valuation of Non-Producing Mineral Properties Using Market Comparables: Proceedings of the Sixth Joint Business Valuation Conference of the Canadian Institute of Business Valuators and the American Society of Appraisers, Toronto, October 19-20, 2006; The Journal of Business Valuation 2007, pp. 207-231.