Permit No. 85204

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**DAJIN RESOURCES (US) CORPORATION**
Source:	**UNDERGROUND**
Basin:	**TEELS MARSH VALLEY**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**05/29/2015**

****

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to all existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to other ground water development in the area. A totalizing meter must be installed and measurements of water use kept. The well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water granted herein at any and all times.

The permittee shall keep monthly records of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis by February 15th of each year.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The point of diversion and place of use are as described on the submitted application to support this permit.

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.38 cubic feet per second or 1,000.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **May 24 2018**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **May 24 2019**

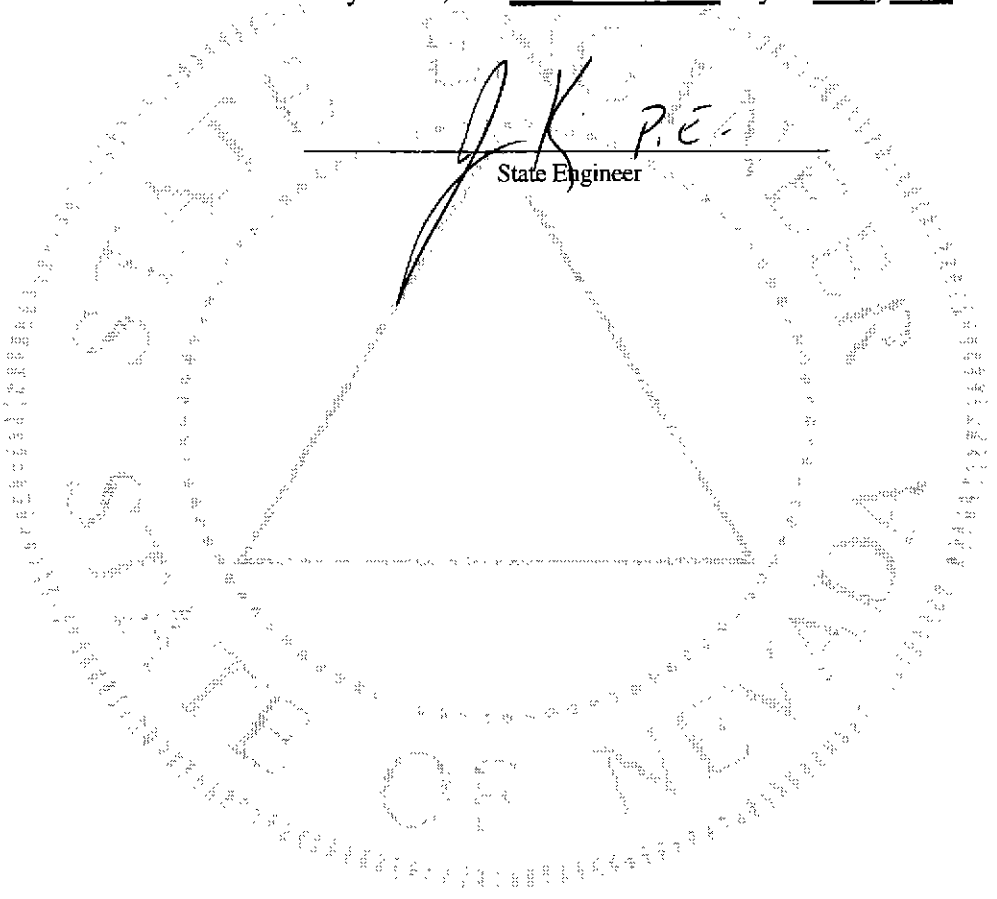
Map in support of proof of beneficial use shall be filed on or before: **N/A**

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 24th day of **May, 2016**

J. K. P.E.

State Engineer



Application No. 85204

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of Filing in State Engineer's Office MAY 29 2015

Returned to applicant for correction

Corrected Application filed ____ Map filed MAR 29 2015

The applicant Dajin Resources (US) Corporation

Suite 450-789 West Pender Street (Street Address or P.O. Box) of Vancouver (City or Town)

BC V6C 1H2 (State and ZIP Code) hereby make(s) application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Domestic Corporation, State of Nevada, filed 8/1/14

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2015 MAY 29 PM 1:02
STATE ENGINEERS OFFICE

1. The source of water is Underground
   Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 620 gpm NTE 1,000 afa 1.38 cfs
   One second foot equals 448.83 gallons per minute.
   (a) If stored in a reservoir give the number of acre-feet
3. The water is to be used for Mining & Milling
   Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.
4. If use is for:
   (a) Irrigation, state number of acres to be irrigated
   (b) Stockwater, state number and kind of animals
   (c) Other use (describe fully in No. 12)
   (d) Power:
      (1) Horsepower developed
      (2) Point of return of water to stream

Revised 07/13

Teels Marsh W.
10-114
W.

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)

SW1/4 NE1/4 of Section 18, T.4N, R.33E., M.D.B.&M. from a point that bears N. 12d 32' 45" W. a distance of 13,125 feet to the NW Corner of Section 6, T.4N., R.33E., M.D.B.&M. See water right map accompanying this application.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

See Attachment A & accompanying water right map

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day) of each year.

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with a pump and motor, etc.)

Wells, pumps, distribution system & evaporation basins - see additional description in Attachment B

9. Estimated cost of works: $5 million dollars

10. Estimated time required to construct works: 3 years
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 years

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See Attachment B describing process for a proposed Lithium brine extraction process.

13. Miscellaneous remarks:

Although the intended use is a temporary mining and milling use to develop non-potable water, applicant is limiting application to seek remaining perennial yield of 1,000 afa at this time.

chris@mah2o.com
E-mail Address

775-323-1804
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Chris C. Mahannah, P.E., SWRS# 976
Type or print name clearly

Signature, applicant or agent

Mahannah & Associates, LLC
Company Name

P.O. Box 2494
Street Address or PO Box

Reno, NV 89505
City, State, ZIP Code

Revised 07/13 $360 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

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ATTACHMENT A - PROPOSED PLACE OF USE

SUBDIVISION	SECTION	TWN	RNG	MERIDIAN
ALL	7	4N	33E	M.D.B.&M.
W2	8	4N	33E	M.D.B.&M.
NW NE	8	4N	33E	M.D.B.&M.
W2 SE	8	4N	33E	M.D.B.&M.
NW	16	4N	33E	M.D.B.&M.
N2 SW	16	4N	33E	M.D.B.&M.
ALL	17	4N	33E	M.D.B.&M.
ALL	18	4N	33E	M.D.B.&M.
W2	19	4N	33E	M.D.B.&M.
W2 SE	19	4N	33E	M.D.B.&M.
NE	19	4N	33E	M.D.B.&M.
W2 NW	20	4N	33E	M.D.B.&M.
S2 S2	12	4N	32E	M.D.B.&M.
NE SE	12	4N	32E	M.D.B.&M.
S2 SE	11	4N	32E	M.D.B.&M.
ALL	13	4N	32E	M.D.B.&M.
E2	14	4N	32E	M.D.B.&M.
E2 W2	14	4N	32E	M.D.B.&M.
ALL	23	4N	32E	M.D.B.&M.
ALL	24	4N	32E	M.D.B.&M.

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ATTACHMENT B

1. *Suite 450-789 West Pender Street*
2. *Vancouver, BC V6C 1H2*
3. *www.dajin.ca*

Telephone: (604) 681-6151
Fax: (604) 689-7654
Email: info@dajin.ca

Water Resource Use for Lithium Brine Extraction
Illustrative Lithium Carbonate Development at Teels Marsh

The following information is based on a hypothetical development for the extraction of Lithium from brines at Teels Marsh and is presented for illustrative purposes. The assumptions in terms of brine extraction have not been documented by exploration, but early findings suggest that Li brines in suitable concentrations are present in the sub-surface of Teels Marsh. The following information is based on a similar plant in a similar geological and climatological setting and is thus considered to be suitable to demonstrate the potential water usage at Teel Marsh.
Brines suitable for Lithium extract are not potable waters. The total dissolved solids required of the "raw" brines often exceed 20%. Brine water demand is needed at a rate of 620 gpm, 365 day/year or 1,000 afa.

In general brines are extracted from sedimentary aquifers within the closed basin (playa), in this case Teels Marsh. These aquifers may be from 10s to 100s of meters in depth below the playa surface. Wells are drilled to extract the brines and then pumped to surface ponds for solar evaporation. There are usually three sets of ponds in the sequence: pre-concentration, liming and concentration (Fig. 1). The use of surface ponds, allows for the concentration by evaporation of the brines as well as the removal of sulphates and other unwanted salts; then lime is added (in the liming pond) to remove magnesium and most of the sulphates. After another concentration stage, the concentrated lithium-rich brine is fed to a Lithium Carbonate plant and left over salts are can become the input feed for a Potash plant.

Within the Lithium Carbonate plant the brine undergoes an initial stage where boron is extracted through an organic solvent extraction process. After this process, the brine then goes into two carbonation stages with sodium carbonate, after which Lithium Carbonate is obtained. Potash is a possible additional product and if present in economic quantities is obtained from the left over salts by means of a milling, attrition, re-pulping and flotation process. Nearly all brine will be evaporated or lost from system with a possible maximum of 5% returning to the aquifer through infiltration.

ATTACHMENT B

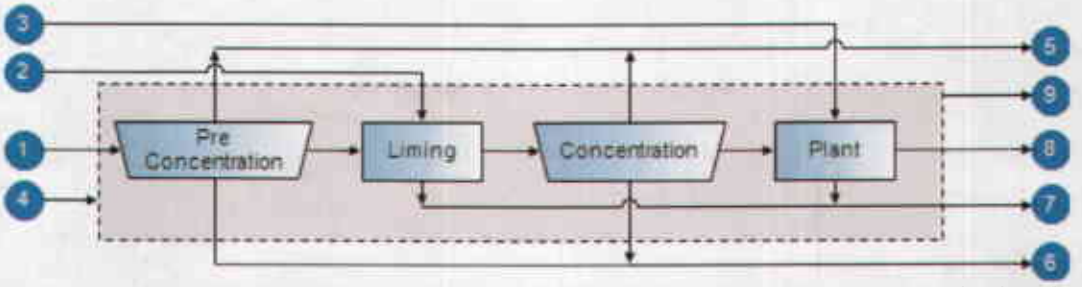
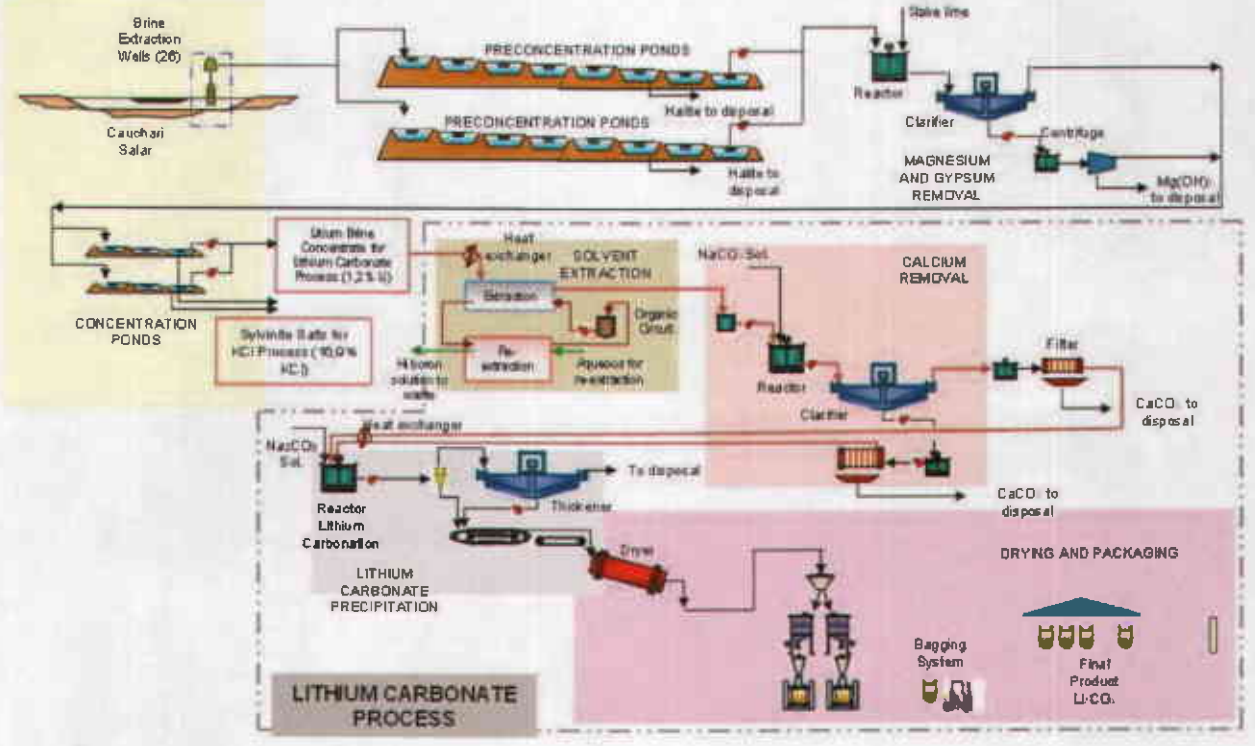


Figure 1: Schematic flowchart showing the system inputs starting with removal of brine from the playa (1); calcium reagents to ponds (2); reagents to plant (3); process water (4). Outputs are evaporated water (5); precipitated salts (6); process waste (dry) (7); Lithium carbonate (Li_2CO_3) (8) and entrainment and leakage (9).

The following schematic diagram shows the plant process in more detail (figure from Lithium Americans NI 43-101 report, July 11, 2012)



An initial permit for the drilling of one deep well will be sought through the BLM and other agencies. This well will be the first exploratory well and will be better define the brine concentrations, depth and possible pump rates. The estimated mine life is twenty years.