

Electric Metals Inc.

**SALTA PROVINCE LITHIUM PROJECT
NI 43-101 Compliant Technical Report**

Salta Province Argentina

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Independent Technical Report

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1. SUMMARY

The Salta Province Lithium Project is controlled by the Salta Water Co. Ltd., (hereafter referred to as "SWC") a private Cayman Island corporation that controls 5 cateos (exploration concessions) for lithium in Salta Province, northwest Argentina. Electric Metals Inc. (EMI) has an option to acquire the Salta Province Lithium Project from SWC. The cateos basically cover the margins of two salt lakes (salars) and adjacent alluvial fans. These five cateos cover two separate areas which are called Salar Rio Grande and Salar Arizaro. The one Salar Rio Grande cateo covers 9,758.31 hectares while the four Salar Arizaro cateos cover 32, 556.60 hectares. The properties are located on the Puna plateau, a high elevation basin-like plain on the eastern slope of the Andes Mountains (Figure 1).

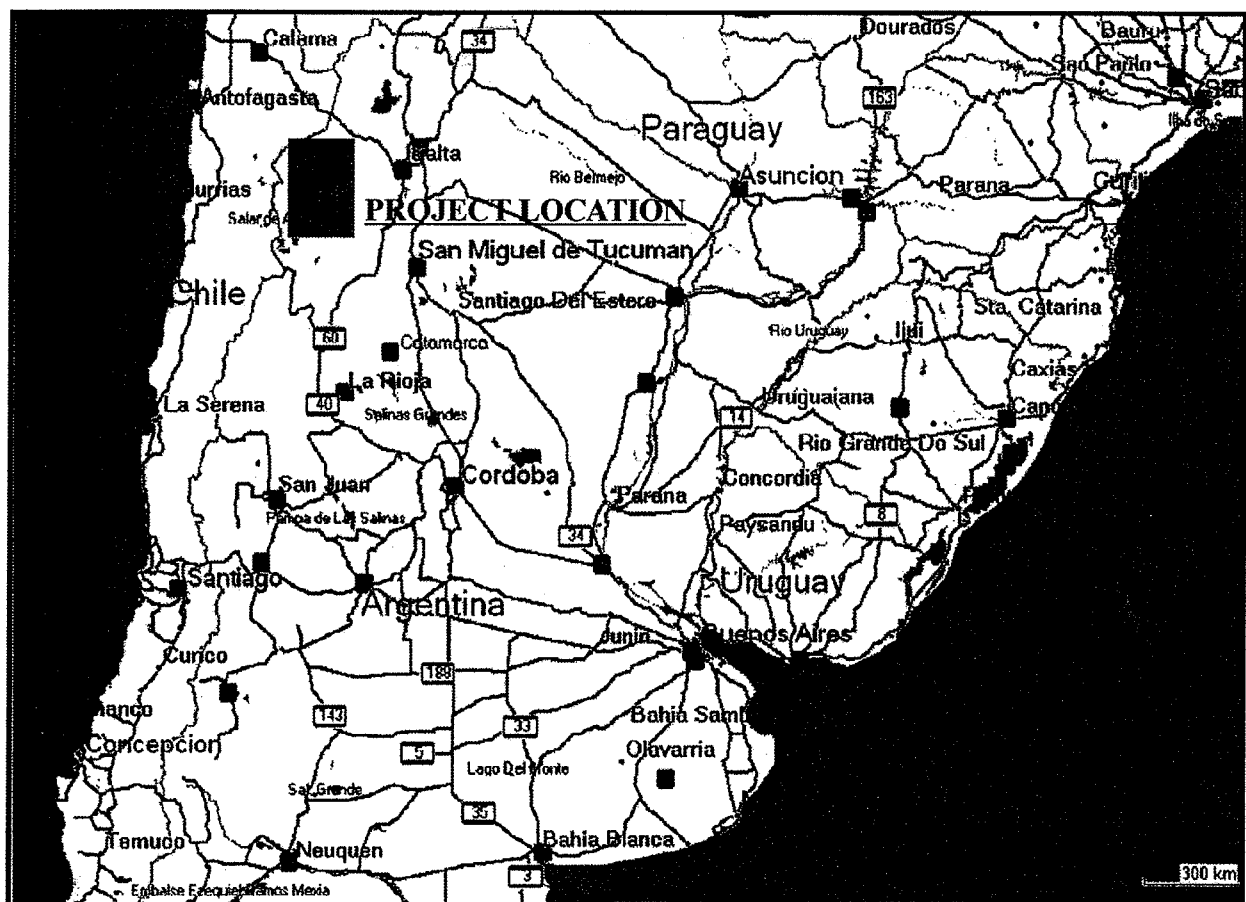


Figure 1

SWC drilled wells in the vicinity of the property while exploring for sources of water to be sold to copper mines in Chile. SWC analyzed its water samples, discovered lithium in the sub-surface brines, and then subsequently staked the cateos in the belief that commercial amounts of lithium in brines may be present.

The Arizaro cateos lie on the western margin of the Arizaro Salar, covering both the western edge of the salar and a large alluvial fan that could be a reservoir for much lithium-bearing water. Similarly, the Rio Grande cateo covers a large alluvial fan that could be another reservoir for a large lithium-bearing water resource.

The lithium is derived from hot waters of volcanic origin leaching lithium from the volcanic rocks and is concentrated by evaporation in salars (salt lakes) that have no outlet except for evaporation. Hydrothermal solutions emanating from regional faults may be a secondary source of lithium and borates. The cateos have potential not only for lithium salts, but also for potash and borates. Nearby deposits that are being exploited from similar geologic environments contain sodium sulfates, lithium salts, and borates.

The five cateos controlled by SWC are in a very early stage of exploration. Only surface samples and brines have been sampled thus far on the cateos, and of these only a few brine samples have been taken by SWC's geologic consultants. The brines of the nearby Hombre Del Muerto Salar, which average about 700 mg/l (milligrams/liter; one mg/l is equal to one ppm or one gram/tonne) of lithium, are currently being exploited by FMC Minerals Corporation. This well-known operation is being considered as one possible model for lithium exploration on the SWC properties.

It is the conclusion of the author that more work should be done on these cateos to study the lithium potential of the properties. The sampling to date has consisted of surface waters and well waters which are at the top of the water column. However, brines may stratify based upon density. And indeed, results from well-pumping tests completed adjacent to the Lluillailaco Salar in Salta Province by Salta Agua Ltd. (2008) demonstrate that samples taken from the top of the water column may not be representative of denser brines that exist further down in the water column. During these pump tests, three brine samples taken from the well had lithium contents of 103 mg/l, 107 mg/l, and 108 mg/l. A verification sample taken from this well at the top of the water column by the author in October 2009 contained only 8 mg/l lithium. Tools for sampling other parts of the water column were simply not available during the site visit. Similarly, it has been demonstrated that lithium is not uniformly distributed throughout a given salar. This probably reflects differing source areas for the lithium-enriched brines.

Despite the preceding facts related to the pump-test sampling, water samples taken from surface waters on the Arizaro cateos (Vega Oeste) thus far by SWC personnel have been found to contain up to 19 mg/l lithium. A verification sample of surface water taken by the author at Vega Oeste contained 17 mg/l lithium. Similarly, surface water samples taken by SWC personnel near the Rio Grande cateo contained up to 32 mg/l lithium. A sample from a nearby water well that lies outside the cateo boundary, taken by SWC personnel at an unknown depth in the water column, is reported to contain 206