

**Daggett Lithium Project**  
**San Bernardino County, California**  
NI 43-101 Technical Report



**Prepared For: M3 Metals Corp.**



**Prepared By**

Mr. Jerry L. Aiken BSc, Professional Geologist (WA), SME Registered Member

EFFECTIVE DATE: October 5, 2023

## **CERTIFICATE OF QUALIFIED PERSON**

I, Jerry L. Aiken, BSc, Professional Geologist (WA), SME Registered Member do hereby certify that:

I am a Consulting Geologist, Self-Employed, at 6845 N Magic Lane, Tucson, Arizona 85704.

This certificate applies to the Technical Report titled Daggett Lithium Project; NI 43-101, Initial Technical Report with an effective date of October 5, 2023.

I am a graduate of Western Michigan University with a Bachelor of Science degree in Geology (1966). I completed 3 semesters of graduate study in Economic Geology at the University of Idaho (1967-68) prior to entering the US Army. I am a Registered Geologist in the State of Washington, USA (#1283) and a Registered Member of SME, #04037020. I have practiced my profession as an Exploration Geologist continuously since 1970 (50+ years) gaining experience in both metals and Industrial Minerals. My relevant experience includes conducting Exploration Programs for Borates, Potash and other Industrial Minerals (1986 to present). Since 2010, I have concentrated on Lithium Exploration for both Brines and 'Hard Rock' Lithium Deposits. I have been involved in Management, Geologic Research, and Geologic Mapping at both a project scale and regional scale. I have also been involved in Industrial Commodity Research.

I have read the most recent version of the National Instrument 43-101. I authored this technical report and certify that this technical report has been prepared in compliance with National Instrument 43-101. I am familiar with the definition of a "Qualified Person," set out in the National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in National Instrument 43-101) and past relevant work experience, I am a Qualified Person for the purposes of National Instrument 43-101. I am independent, as defined in National Instrument 43-101, Section 1.5, from M3 Metals Corp. and from IMEx Consultants Inc., the vendor of the properties comprising the Daggett Lithium Project.

I visited the Daggett Lithium Project area on April 13, 2023, for 1 day. I have been familiar with the project area for some time prior to the site visit in a previous function as an exploration geologist employed at various times by both Rio Tinto, and its subsidiary, US Borax Inc.

I am responsible for all sections of the Technical Report.

I am independent of all parties applying all of the tests in Section 1.5 of NI 43-101.

As of the Effective Date of this Report, to the best of my knowledge, information and belief, the data in the Technical Report contains all the scientific and technical information that is required to be disclosed, to make the Technical Report factually correct and not misleading.

Dated effective this 5th day of October, 2023.

*"Jerry L. Aiken" [signed and sealed effective as of October 5, 2023]*

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Jerry L. Aiken, BSC, Professional Geologist (WA), SME Registered Member

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**LIST OF ABBREVIATIONS**

ACEC	Area of Critical Environmental Concern
asl	Above Sea Level
BC	British Columbia
BLM	Bureau of Land Management
C\$	Canadian Dollars
CA	California
CDPA	California Desert Protection Act
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
DRECP	Desert Renewable Energy and Conservation Plan
ICP.	Inductively Coupled Plasma
km	Kilometers
LIBS	Laser Induced Breakdown Spectroscopy
m	Meters
M3M	M3 Metals Corp
masl	Meters Above Sea Level
mm	Millimeters
NEPA	National Environmental Policy Act
OHV	Off-Highway Vehicle
PoO	Plan of Operations
ppm	Parts Per Million
QA/QC	Quality Assurance/Quality Control
QP	Qualified Person
ROW	Right-of-Way
SB	San Bernardino County
SMARA	California Surface Mining and Reclamation Act
TUP	Temporary Use Permit
US	United States
US\$	US Dollars

## 1. Summary

### 1.1. Background

This Technical Report, prepared on behalf of M3 Metals Corp., of Vancouver, BC Canada addresses the prospectivity of the Daggett Lithium Project, located near the city of Barstow, California. The area is easily accessible from major southwest US cities and has been well mapped and studied by various agencies and universities. The author is familiar with the area from experience, and most recently a site visit in April of this year (2023).

### 1.2. The Property

The Daggett Lithium Project consists of 96 lode mining claims (the "Lakshmi Claims"), covering 784 hectares (1,940 acres). The claims are current, with BLM maintenance fees up to date, and the Notice of Intent to Hold submitted to the San Bernardino County Recorder. The Lakshmi Claims comprising the Daggett Lithium Project were located and staked by IMEx Consultants, Inc, of Greenwood Village, Colorado (IMEx). The Daggett Lithium Project has been variously referred to as the Daggett Lithium Project, the Daggett Ridge Property or the Lakshmi Claims in continuous disclosure documents and news releases of M3 Metals Corp. IMEx Consultants, Inc. is a company wholly owned by Iain Scarr.

M3 Metals Corp. has entered into a Mineral Property Option Agreement with IMEx to acquire an interest in the Daggett Lithium Project. M3 Metals Corp. ("M3M" or the "Company") of Vancouver, BC has entered into a mineral property option agreement (the "Agreement") to acquire up to an eighty (80%) percent interest in the Daggett Lithium Project.

The Agreement, dated effective May 8, 2023, is between the Company and IMEx Consultants Inc. (the "Vendor"). The Agreement provides that:

- The Company can earn a sixty (60%) percent interest in the Daggett Lithium Project by: (i) issuing 2,000,000 shares to the Vendor and paying to the Vendor the sum of USD\$150,000 upon regulatory approval of the Agreement; and (ii) making USD\$400,000 in exploration expenditures on the Daggett Lithium Project within twelve (12) months of regulatory approval of the Agreement.
- The Company can acquire an additional twenty (20%) percent interest in the Daggett Lithium Project by issuing an additional 2,000,000 shares to the Vendor and making an additional USD\$2,000,000 in exploration expenditures on the Daggett Lithium Project within thirty-six (36) months of regulatory approval of the Agreement.
- The Agreement is subject to the regulatory approval of the Exchange. The transactions contemplated in the Agreement constitute a Fundamental Acquisition (as that term is defined in the policies of the Exchange) and, as such, requires (among other requirements) completion of this Technical Report on the Daggett Lithium Project prior to receipt of regulatory approval.
- There are no royalties or underlying option, or other agreements related to the Daggett Lithium Project.

Many areas of the Mojave Desert are subject to special use restrictions; in the case of the project area, it is located in an Area of Critical Environmental Concern (ACEC). That designation requires- additional permitting steps. Beyond casual use activities that do not involve any surface disturbance, the claimant or their licensee will be required to obtain an approval for a formal Plan of Operations (PoO) through the US Department of Interior's Bureau of Land Management (BLM). The process of acquiring that approval can typically take a year. In some cases, the delay can be mitigated by holding pre-approval briefings at the beginning of the National Environmental Policy Act (NEPA) review process, coordinated and managed by the BLM.

### **1.3. Project Setting and History**

The Daggett Lithium Project is accessible at a short distance from major Interstate Highways via the nearby city of Barstow, California, and from the small settlement of Daggett, CA. The Daggett Lithium Project lies within the central Mojave Desert, where the climate is permissible for year-round activities. With all points of the project within 10 kilometers of the town of Barstow's available workforce, major highways, trans-continental rail service, power and gas corridors serving the Los Angeles basin, the Mojave River and an airport at Daggett capable of handling large aircraft, the infrastructure is well suited to industrial development.

The Daggett Lithium Project area has been subject to exploration and only short-lived minor development dating as far back as the late 19<sup>th</sup> century, with the latest important exploration campaign dating to the 1980's. Parts of the area have been granted to the US Marine Corps Logistics Base with one area hosting a small-arms practice shooting range.

### **1.4. Geology and Mineralization**

The Daggett Lithium Project lies within the Mojave Extensional Belt, an important regional feature that hosts a number of important economic deposits, and relevant to the Project, a number of known lithium occurrences. Mineralization of the project consists of lithium-enriched clays within the Miocene Barstow Formation.

The host sedimentary package is visible on surface along a 7km trend, over a true thickness of some 460 meters (1,500 feet). The enriched clay is thought to be similar to that of the Tonopah Lithium Project in Nevada, where silicic ash sourced from nearby volcanoes was deposited into structurally controlled, closed, alkaline lakes and was quickly altered to clay. The swelling clay both contained and later retained the weakly charged lithium ions both within the molecular structure, and as independent ions weakly attached to the surface of clay particles.

### **1.5. Exploration**

A brief surface reconnaissance and spot sampling program was carried out by the project vendors in March 2022. Thirty-five (35) samples were collected throughout the Western Block of claims (Figure 9-1). Lithium concentration in the surface mapping samples was measured in real time, using a hand-held Laser Induced Breakdown Spectroscopy (LIBS) field unit, applying rigorous calibration at each start up, and after each 5 readings. The main purpose of the LIBS was to help in identifying a sub-set of the surface samples that were subsequently prepared and submitted to SGS Laboratories in Lima for analyses using ICP.

The SGS results confirmed Lithium values well above normal background concentrations, but lower than those detected by the LIBS (Figure 7-3). This difference will be the subject of further studies in future exploration sampling and drilling campaigns.

## 1.6. Data Verification

The author visited the Daggett Lithium project claims area on April 13, 2023. During the visit he independently re-sampled a number of the IMEx sampling locations. Those 4 samples will be submitted to a laboratory for analysis along with further checks.

## 1.7. Interpretation and Conclusions

With demonstrated anomalous values over a very large area and thickness, the Daggett Lithium project possesses the potential to host economically extractable levels of lithium over a very large volume of host material and is considered by the author to be a project of merit.

## 1.8. Recommendations

- Initial activities are temporarily limited until a Plan of Operations has been approved by the Bureau of Land Management. Until that approval is granted, activities are limited to “casual use,” that is, involving no surface disturbance, and other activities will be limited, though not necessarily restricted, to:
  - Environmental baseline and permitting studies,
  - Geologic mapping and hand-tool detection and surface sampling,
  - Geophysics studies that do not involve heavy vehicles and/or explosives.
  - Initial bench-scale testing to determine the cause of differences in the contained lithium values as detected between the LIBS and lab assays.

This initial mapping, sampling and geophysics program can all be undertaken as “casual use” activities, involving no surface disturbance and not requiring an approved Environmental Impact Report. This is intended to de-risk the prospect prior to the lengthy and costly permitting stage. This phase is estimated to take 8 months at an estimated cost of C\$476,500 (US\$350,000) – see Table 26.1)

## 2. Introduction

This Technical Report was prepared on behalf of M3 Metals Corp. (“M3M”) of Suite 300-1455 Bellevue Ave. West Vancouver, BC, V7T 1C3, Canada. This Technical Report was commissioned by M3M as it is required to submit a Technical Report to the TSX Venture exchange (the “Exchange”) as part of its submission to gain approval of M3M’s proposed acquisition of an interest in the Daggett Lithium Project from its current owners.

The purpose of this Technical Report is to inform the reader of the viability, potential value and risks associated with the Daggett Lithium Project clay-hosted lithium target, located on and around the Daggett Lithium Project, near the City of Barstow, San Bernardino County, California.

Information available for this Technical Report include publications regarding the geology and mineral resources of the Daggett Lithium Project area, and maps and reports available from the United States Geological Survey. Reports and maps are cited in the references section (Item 27) The personal knowledge of both the author and staff and consultants to M3M has been of assistance and is derived from many years of experience working, prospecting, and drilling mineral targets in this area and numerous others in the Mojave Desert and Basin and Range regions of the southwest United States. The Vendor has made prospecting and sampling data available, some of which has been independently checked and sampled by the author during the field inspection.

In addition to extensive past experience working in minerals exploration in the region and progress and academic field trips to this area in particular, the author visited the Daggett Lithium Project on April 13, 2023, to review the geologic setting, the environmental conditions and permitting requirements, and to collect independent reconnaissance and validation sampling.

### 3. Reliance on Other Experts

The QP has fully relied upon, and disclaims responsibility for, information derived from:

- The Law firm of Jeffer, Mangels, Butler & Mitchell LLP (JMBM). Based in San Francisco, JMBM brings extensive experience in helping mining projects navigate and resolve legal and environmental matters, particularly in the Mojave Desert region. The reports are included as email correspondence dated June 7, 2002, and August 5, 2022. The first refers to the positive potential for being permitted to work in an Area of Critical Environmental Concern (ACEC) for the project area, and the second details instructions for filing a Code of Federal Regulations (CFR) 3809 Plan of Operations, and the possibility and usefulness of filing a pre-plan of operations. Full details of the reports comprise important findings in item 4 (property description and location) and 20 (Environmental Studies, Permitting and Social or Community Impact).
- RangeFront Mining Services (retained by M3M to perform due diligence on title) as regards title and title searches for the claims comprising the property.

### 4. Property Description and Location

#### 4.1. Property Description

The Daggett Lithium Project properties consist of two blocks of lode mining claims, located a short distance south of the town of Barstow, California (The "Lakshmi Claims") for a total of 96 claims covering 784 hectares (1,940 acres, figure 1). Listed in table 1, block one of three mining claims, consisting of 56 claims (Lakshmi 1-10, non-contiguous - Lakshmi 09-187) are located within mile-square sections of the U.S. Public Lands Survey system in sections 2, 3, and 4, in Township 8 North, Range 1 west (T.8N, R. 1W) of the San Bernardino Baseline and Meridian (SBB&M); block 2, of 40 claims (Lakshmi 187-226) are located in section 12 T.8N, R1W and sections 6, 7 and 8 of T.8N, R1E. The Company incorrectly reported that the Daggett Lithium Project total area was 2,641 acres (761 hectares) in a news release dated May 9, 2023. References in this Technical Report to the "Lakshmi Claims" are references to lode mining claims.

Lode mining claims are available for staking on public lands administered by the US Department of the interior, Bureau of Land Management (the "BLM"). Staking lode mining claims requires locating labeled claim corners and discovery monuments onto which discovery notices are attached. Exact copies of the notices are to be filed with the BLM within 90 days of location, accompanied by maintenance and filing fees. Original signed notices are also required to be filed with the Recorder for the County in which the claims are located, also accompanied by recording, maintenance, and in the case San Bernardino County, other State and county fees. To continue holding the claims, maintenance fees to the BLM are required to be paid by the following September after locating the claims, and by September 1 of each year thereafter. The maintenance fees for the Lakshmi Claims shown below are paid for the current year, with the next year fees due to be paid by August 31, 2024. An annual Notice of Intention to Hold (NOIH) is required to be filed with the Country recorder-assessor's office, also by the September 1 cut-off each year.

Location of the claims blocks and details are shown in Figure 4-1 and Table 4-1 respectively.

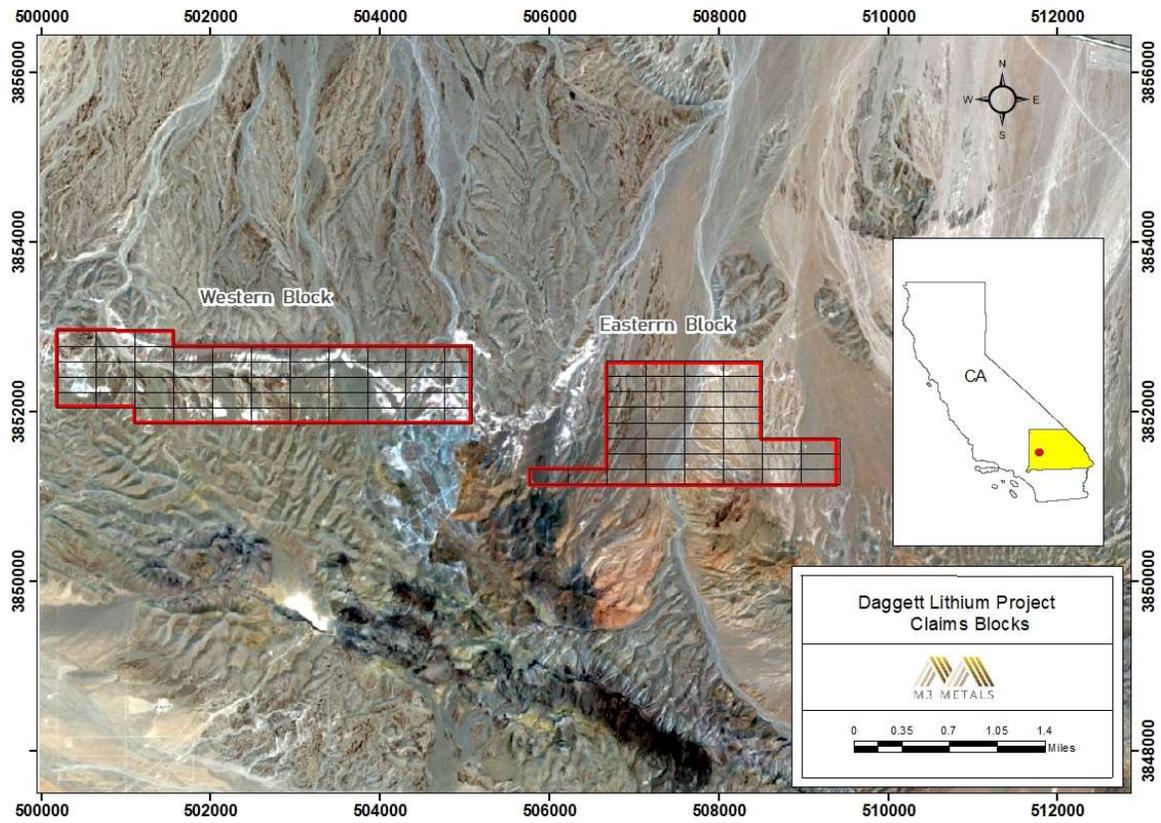


Figure 4-1: Daggett Lithium Project Claims

Claim Name	BLM Number	SB County Number	Claim Name	BLM Number	SB County Number
Lakshmi 093	Filed	Filed	Lakshmi 174	CA105794372	2023-0010336
Lakshmi 097	Filed	Filed	Lakshmi 175	CA105794373	2023-0010337
Lakshmi 094	Filed	Filed	Lakshmi 176	CA105794374	2023-0010338
Lakshmi 098	Filed	Filed	Lakshmi 182	CA105794375	2023-0010339
Lakshmi 095	Filed	Filed	Lakshmi 183	CA105794376	2023-0010340
Lakshmi 099	Filed	Filed	Lakshmi 184	CA105794377	2023-0010341
Lakshmi 096	Filed	Filed	Lakshmi 185	CA105794378	2023-0010342
Lakshmi 100	Filed	Filed	Lakshmi 186	CA105794379	2023-0010343
Lakshmi 009	CA105794336	2023-0010300	Lakshmi 187	CA105802677	2022-0395628
Lakshmi 010	CA105794337	2023-0010301	Lakshmi 188	CA105802678	2022-0395629
Lakshmi 101A	Filed	Filed	Lakshmi 189	CA105802679	2022-0395630
Lakshmi 102A	Filed	Filed	Lakshmi 190	CA105802680	2022-0395631
Lakshmi 103A	Filed	Filed	Lakshmi 191	CA105802681	2022-0395632
Lakshmi 104A	Filed	Filed	Lakshmi 192	CA105802682	2022-0395633
Lakshmi 105	CA105794338	2023-0010302	Lakshmi 193	CA105802683	2022-0395634
Lakshmi 106	CA105794339	2023-0010303	Lakshmi 194	CA105802684	2022-0395635
Lakshmi 112	CA105794340	2023-0010304	Lakshmi 195	CA105802685	2022-0395636
Lakshmi 113	CA105794341	2023-0010305	Lakshmi 196	CA105802686	2022-0395637
Lakshmi 114	CA105794342	2023-0010306	Lakshmi 197	CA105802687	2022-0395638
Lakshmi 115	CA105794343	2023-0010307	Lakshmi 198	CA105802688	2022-0395639
Lakshmi 116	CA105794344	2023-0010308	Lakshmi 199	CA105802689	2022-0395640
Lakshmi 122	CA105794345	2023-0010309	Lakshmi 200	CA105802690	2022-0395641
Lakshmi 123	CA105794346	2023-0010310	Lakshmi 201	CA105802691	2022-0395642
Lakshmi 124	CA105794347	2023-0010311	Lakshmi 202	CA105802692	2022-0395643
Lakshmi 125	CA105794348	2023-0010312	Lakshmi 203	CA105802693	2022-0395644
Lakshmi 126	CA105794349	2023-0010313	Lakshmi 204	CA105802694	2022-0395645
Lakshmi 132	CA105794350	2023-0010314	Lakshmi 205	CA105802695	2022-0395646
Lakshmi 133	CA105794351	2023-0010315	Lakshmi 206	CA105802696	2022-0395647
Lakshmi 134	CA105794352	2023-0010316	Lakshmi 207	CA105802697	2022-0395648
Lakshmi 135	CA105794353	2023-0010317	Lakshmi 208	CA105802698	2022-0395649
Lakshmi 136	CA105794354	2023-0010318	Lakshmi 209	CA105802699	2022-0395650
Lakshmi 142	CA105794355	2023-0010319	Lakshmi 210	CA105802700	2022-0395651
Lakshmi 143	CA105794356	2023-0010320	Lakshmi 211	CA105802701	2022-0395652
Lakshmi 144	CA105794357	2023-0010321	Lakshmi 212	CA105802702	2022-0395653
Lakshmi 145	CA105794358	2023-0010322	Lakshmi 213	CA105802703	2022-0395654
Lakshmi 146	CA105794359	2023-0010323	Lakshmi 214	CA105802704	2022-0395655
Lakshmi 152	CA105794360	2023-0010324	Lakshmi 215	CA105802705	2022-0395656
Lakshmi 153	CA105794361	2023-0010325	Lakshmi 216	CA105802706	2022-0395657
Lakshmi 154	CA105794362	2023-0010326	Lakshmi 217	CA105802707	2022-0395658
Lakshmi 155	CA105794363	2023-0010327	Lakshmi 218	CA105802708	2022-0395659
Lakshmi 156	CA105794364	2023-0010328	Lakshmi 219	CA105802709	2022-0395660
Lakshmi 162	CA105794365	2023-0010329	Lakshmi 220	CA105802710	2022-0395661
Lakshmi 163	CA105794366	2023-0010330	Lakshmi 221	CA105802711	2022-0395662
Lakshmi 164	CA105794367	2023-0010331	Lakshmi 222	CA105802712	2022-0395663
Lakshmi 165	CA105794368	2023-0010332	Lakshmi 223	CA105802713	2022-0395664
Lakshmi 166	CA105794369	2023-0010333	Lakshmi 224	CA105802714	2022-0395665
Lakshmi 172	CA105794370	2023-0010334	Lakshmi 225	CA105802715	2022-0395666
Lakshmi 173	CA105794371	2023-0010335	Lakshmi 226	CA105802716	2022-0395667

**Table 4-1: List of the Daggett Lithium Project Claims:  
(All Claims are valid to August 31, 2024)**

Operating on Federal Lands requires notices or an approved Environmental Impact report, depending on the management status of the lands hosting the claims, and the level of activities. The Daggett Lithium Project is partially within an Area of Critical Environmental Concern (ACEC) that has yet to be regulated by a Record of Decision (RoD). Activities that create no surface disturbance can be conducted with no permits

or notice, although notifying the local administering BLM office is recommended. Approvals for Plan Level activities can be expected to take 9 months to a year. This lengthy waiting period can in some cases be mitigated by holding “pre-approved” briefings (Shapiro, 8/5/2022) as detailed below.

M3 Metals Corp. (“M3M” or the “Company”) of Vancouver, BC has entered into a mineral property option agreement (the “Agreement”) to acquire up to an eighty (80%) percent interest in the Daggett Lithium Project.

The Agreement, dated effective May 8, 2023, is between the Company and IMEx Consultants Inc. (the “Vendor”). The Agreement provides that:

- The Company can earn a sixty (60%) percent interest in the Daggett Lithium Project by: (i) issuing 2,000,000 shares to the Vendor and paying to the Vendor the sum of USD\$150,000 upon regulatory approval of the Agreement; and (ii) making USD\$400,000 in exploration expenditures on the Daggett Lithium Project within twelve (12) months of regulatory approval of the Agreement.
- The Company can acquire an additional twenty (20%) percent interest in the Daggett Lithium Project by issuing an additional 2,000,000 shares to the Vendor and making an additional USD\$2,000,000 in exploration expenditures on the Daggett Lithium Project within thirty-six (36) months of regulatory approval of the Agreement.
- The Agreement is subject to the regulatory approval of the Exchange. The transactions contemplated in the Agreement constitute a Fundamental Acquisition (as that term is defined in the policies of the Exchange) and, as such, require completion of this Technical Report on the Daggett Lithium Project prior to receipt of regulatory approval.
- There are no royalties or underlying options, or other agreements related to the Daggett Lithium Project.

## **4.2. Permitting Requirements.**

There are no known environmental liabilities within or nearby the Daggett Lithium Project limits. The only known activities within the project boundaries was exploration drilling dating to the 1980’s. All traces of those activities have been reclaimed.

The Daggett Lithium Project is adjacent to, and a small part of the claims area is within the Daggett Ridge Monkey Flower ACEC (“DRMF ACEC”), which is within and adjacent to the larger Ord-Rodman ACEC. These ACECs were established pursuant to the California Desert Protect Act (“CDPA”) and, in the case of the DRMF ACEC, are subject to further refinement and designation under the Desert Renewable Energy Conservation Plan (“DRECP”) and its 2016 Land Use Plan Amendment (“LUPA”).

Operating on BLM administered public lands in a special use category, such as an ACEC at any level of surface disturbance requires an approved Plan of Operations (PoO). Such a permit requires multiple stakeholder and government agencies reviews and may be subject to a National Environmental Policy Act (NEPA) approval. NEPA was signed into law in 1970 to promote efforts that prevent or eliminate damage to the environment (42 U.S. Code 4321-4347. NEPA requires federal agencies to assess the environmental effects of their proposed actions prior to making decisions. The range of actions covered by NEPA is broad and includes:

- Making decisions on permit applications,

- Adopting federal land management actions, and
- Constructing highways and other publicly owned facilities.

Using the NEPA process, agencies evaluate the environmental and related social and economic effects of their proposed actions. Agencies also provide opportunities for public review and comment on those evaluations. Typically, in recent years, exploration activities at any level have been subject, at the BLM's discretion to NEPA. This requirement can be anticipated for the Daggett Lithium Project at some stage during the project cycle.

To date, the Vendor has not acquired permits, but to help navigate the requirements and to help mitigate the time required to obtain permits, the Vendor engaged a law firm (see Item 3, "Reliance on other Experts"), to assist it. A summary of the law firm's report of July 12, 2022 to the Vendor is as follows:

Casual Use vs. Plan of Operations: Because the Daggett Lithium Project is located within an ACEC, the development process can be initiated either through "casual use" activities, or a CFR3809 Plan of Operations ("PoO").

- **Impact of ACEC:** Typically, there are three options when initiating mining activities on BLM lands: (i) casual-use, (ii) notice-level, and (iii) plan-level. However, Federal regulations prohibit notice-level activities (disturbing 5-acres or less) within ACECs, and thus the claimant can only proceed with either casual use or plan-level activities. See 43 CFR 3809.21; 3809.11(c)(3).
- **"Casual Use" Activities:**
  - i. Casual Use Activities are generally limited to those types of activities that result in "no or negligible disturbance," such as hand-sample collection of rocks, battery-operated devices to sense the presence of minerals, etc. Some non-invasive surveying activities may be considered casual use. See 43 CFR 3809.5; 3809.11(a).
  - ii. Although casual use activities are limited, they do not require environmental review under the National Environmental Policy Act ("NEPA"), and thus can begin much sooner.
  - iii. To conduct casual use activities, the Vendor would need concurrence that BLM considers the activities "casual use."
  - iv. Note: we've had recent success obtaining BLM-concurrence that non-invasive surveying work constitutes casual use and, if the Vendor chooses this route, the law firm can provide advice as necessary.
- **Plan-Level Activities:**
  - i. Plan-Level Activities are any activities beyond "negligible disturbance," and generally include most exploration drilling or other exploration activities.
  - ii. In addition to the actual PoO, plan-level activities may necessitate other, discretionary approvals, such as a BLM Right-of-Way ("ROW") for access to the claim site.
  - iii. The PoO and other incidental approvals will be subject to environmental review under NEPA, and possibly under the California Environmental Quality Act ("CEQA"), which will start a 6-months to 1-year review process.
- **State Law/Surface Mining and Reclamation Act ("SMARA") Considerations:**

- i. To the extent that casual use activities may require non-federal approvals, recent experience indicates that San Bernardino County may require a Temporary Use Permit (“TUP”) or other ministerial (*i.e.*, well-drilling) permit. Otherwise, local jurisdiction permitting is generally minimal.
- ii. For any plan-level activities, SMARA compliance will be implicated if there is ground disturbance of more than 1-acre. SMARA requires a reclamation plan approved by the County, as well as bonding requirements.
- iii. For initial exploration activities, there are various factors and considerations that can limit the applicability of SMARA (including the manner in which acreage is calculated to stay below the 1-acre limit), in particular to avoid the need for a reclamation plan.

- **Environmental Baseline Work**

For any activities subject to environmental review, the permit applicant will also have to conduct baseline environmental work. Generally, the baseline work in this region focuses on biological resources, cultural resources, and water supply and availability.

As of submission of this report, neither the Vendor nor M3M have applied for or been granted permits beyond casual-use activities. As detailed in Item 26, casual use activities including surface sampling and non-disruptive geophysics which comprise the next stage of work, in addition to the work and time required to obtain the Plan of Operations (PoO) approvals.

## **5. Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The Daggett Lithium Project is located a short distance south to southeast of Barstow, in California’s Mojave Desert. The area of the claims lies at an elevation range of 850 – 1000 masl. The nearest prominent topographic feature is Daggett Ridge, climbing to elevations of up to 1200 meters.

### **5.1. Accessibility**

Access to the property is available from all directions. The easiest access is from the City of Barstow, south 12 km via paved state route 247, and unpaved Townsend Street and Cape Gloucester Roads. Once off the paved highway, the area is within the Stoddard valley off-highway vehicle (OHV) special use area, with access via a thorough road and trail network. Off-route vehicular access is prohibited without special use permits.

### **5.2. Climate**

The climate of the central Mojave Desert is amenable to year-round operations. Characterized by wide variation in daily temperature. The average annual precipitation of 50 to 150 mm (2 to 6 inches) occurs mainly as summer thunder showers and seasonal winter rain and occasional light snow.

### **5.3. Infrastructure**

Located within 7 miles (11.3 km) from the Daggett Lithium Project, the Central Mojave Desert town of Barstow had a population of 25,442 inhabitants according to 2021 US Census Bureau data. It is a full-service community with modern utilities (electricity, gas, phone, sewer, potable water). Two main freight train lines serve the Daggett Lithium Project area. The ATSF rail corridor in the area runs along Interstate

Highway 40, passing through the small town of Daggett, within 4 miles (6 km) of the Daggett Lithium Project. The Union Pacific Railroad main transcontinental line, approaching from the northeast, joins the ATSF corridor at the same location.

Interstate Highway access lies within a short distance of all points in the Daggett Lithium Project, with I-15 passing within 5 miles through the City of Barstow, and I-40 paralleling the ATSF rail at the Daggett Lithium Project (Figure 5-1).

The Daggett Lithium Project has good cellular service over most of the area. Field personnel and resources for exploration and potential operations are expected to be available from Barstow and the surrounding communities and states.

No source of surface or groundwater for use in mining has yet been identified for the Daggett Lithium Project. Exploration for groundwater will be conducted at the Plan of Operations (PoO) stage of the project. The project lies within the Mojave Basin, Baja Subarea water basin. For early-stage drilling, water is typically available from the Golden State Water company, sourced from hydrants in Barstow and Daggett. Purchase of water rights for milling and mining dust control will need to be pursued, which is not uncommon for operations within desert regions. Recent large-scale projects in the area have been successfully permitted and have acquired the necessary water rights to operate.

The potential mining area is very large, measuring some 12.9 km east west, and open to depth from south to north, with the prospective Barstow Formation sediments exposed at surface over an apparent width of up to 2 km, for a possible true thickness of more than 1000 m. Although the central feature is an elongated ridge, most of the area is relatively flat, with a slight gradient to the north, providing ample area for mine site facilities and waste disposal.

Figure 8-1 Shows the available infrastructure in the region.

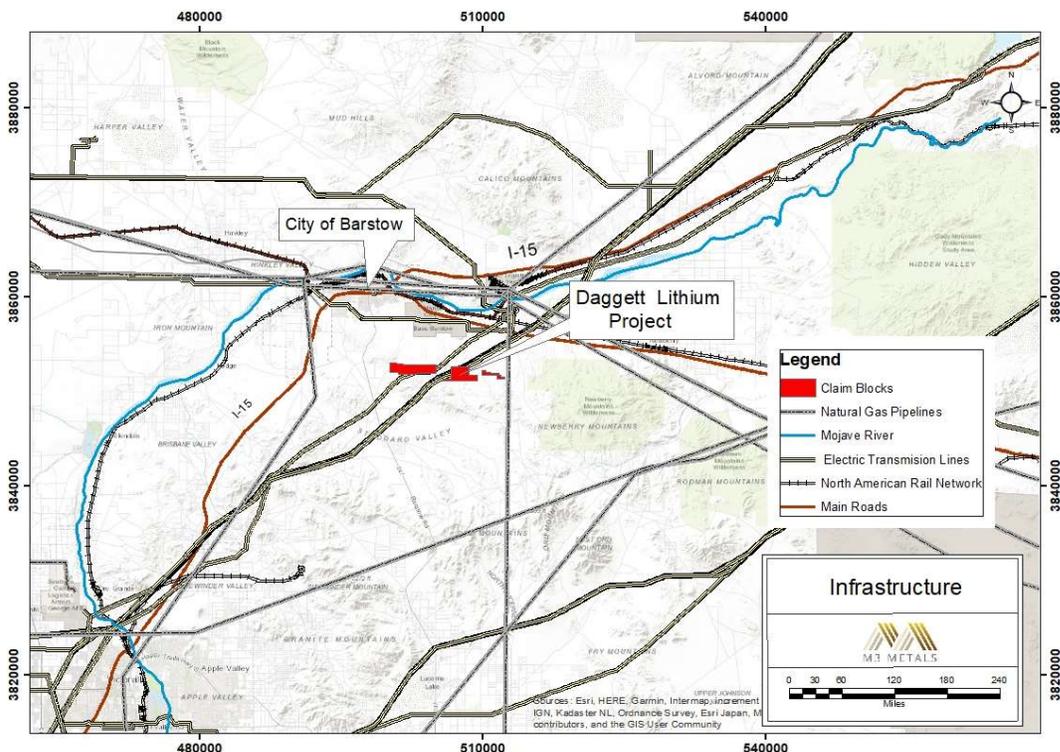


Figure 5-1: Regional infrastructure

## 5.4. Physiography

The Daggett Lithium Project area within the Barstow-Daggett region traverses west across the Mojave Valley over heavily dissected alluvial fans north of Daggett Ridge; elevation within the area is relatively uniform at approximately 660m (2,150 feet), ranging between 640m to 850 m (2,100 - 2,800 feet) asl. The portions of the study area within Stoddard Valley travel south from the Barstow-Daggett area, crossing low hills and alluvial valleys at the northwest end of Stoddard Valley at elevations from 2,800 feet msl on the northern end climbing to about 3,300 feet msl on the southern end.

### 5.4.1. Vegetation

The vegetation of the project area consists mainly of creosote (*Larrea tridentata*) and cacti, including barrel cactus (*Ferocactus cylindraceus* var. *lecontei*) and Cholla (*Cactocea*). A wide variety of grasses can be found between the larger shrubs, in addition to smaller plants, including manzanita (*Arctostaphylos* *Adans*). A variety of Bush Monkey Flower (*Diplacus aurantiacus*), locally referred to as the Daggett Ridge Monkey Flower is reported in the nearby Rodman Mountains, and on Daggett Ridge itself. The Bureau of Land Management established an Area of Critical Environmental Concern that extends beyond the plant's habitat and includes part of the Daggett Lithium Project. No record of Decision has been passed for the ACEC as of this writing.

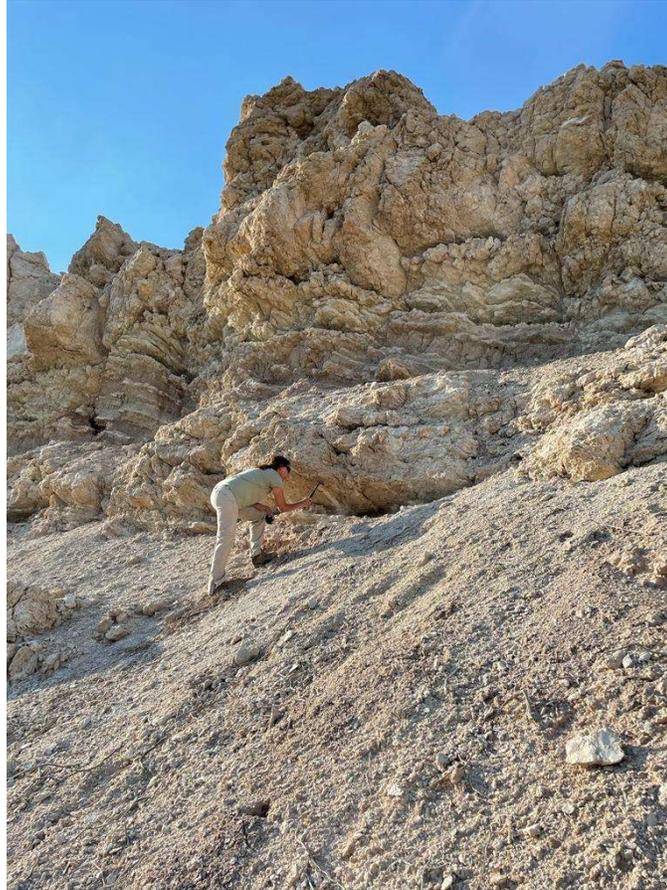
## 6. History

The only previous mining activity was possibly for bulk samples in the claims area conducted at the Gem Mine. Dibblee, 1970 reported that the Gem Mine property, hosting lenses of colemanite (calcium borate mineral) a few inches thick was explored and mined, probably in the 1890's or 1900's, from shallow pits and trenches, and from three shafts, deepest to 150 feet, with drifts at 50-foot and 100-foot levels. (Wright and others, 1953, p225 in part). The Gem Mine property is a patented claim currently held by Rio Tinto Minerals, a subsidiary of Rio Tinto that operates the Boron Mine.

A large part of the Daggett Lithium Project area had been claimed by the (then) Rio Tinto subsidiary U.S. Borax and Chemical Corporation in the early 1980's to explore the extensions of the Gem Mine borates and following up on positive results from soil sampling in the area. U.S. Borax drilled 11 exploration drill holes in the area of the Daggett Lithium Project between 1980-1983. Some of the holes intercepted strata containing high levels of boron, and among those, some reportedly showing high values for lithium (Pers Comm). While anomalous, the Boron values were not deemed sufficient to warrant further exploration or development, the claims were abandoned, and all claim posts and notices removed.

Acting on personal prior knowledge of the former Borax exploration results, the Vendor conducted a reconnaissance grab sampling campaign at either end of the 9 km trend of Barstow Formation sediments, identifying high values of contained lithium, and as a result staked and filed the mining claims.

A surface sampling program was carried out in March 2022 by the Vendor. Twenty-eight (28) samples were collected throughout the Western Block of claims (Figure 9-1). Locations of the mapped features and samples were determined using a Garmin GPS. The field sampling was developed using a handheld Laser Induced Breakdown Spectrometer (LIBS) capable of light metal detection, such as lithium. The LIBS was calibrated after every 5 samples using three standards (two provided from the manufacturer and one from the TLC project near Tonopah), containing known low, medium, and high concentrations of lithium. Sample locations were determined using a Garmin GPSMAP 64 hand-held device and recorded in a notebook. Mapping and sampling features were also recorded using the "FieldMove Clino" electronic mapping application, and as a second back-up, the "GPSKit" application for iPhone.



**Figure 6.1: Collecting surface samples in the Daggett Ridge on the Daggett Lithium Project**

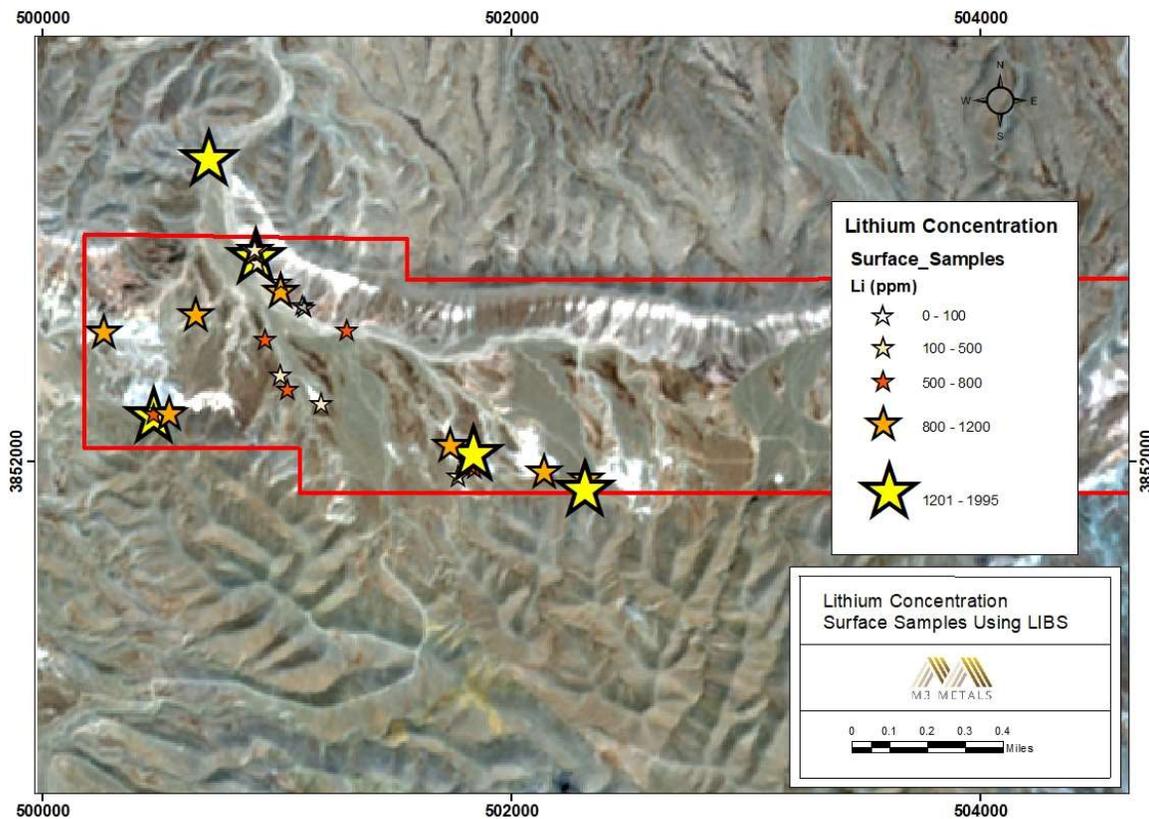
**Figure 6-1:**

Lithium concentration estimates for 27 of the samples were measured in the field using a SciApps model “Z-901 Li” hand-held Laser Induced Breakdown Spectroscopy (LIBS) device. For operational reasons, the Lithium concentration of 2 samples could not be assessed in the field, but those samples were added to the subset of samples sent to the SGS Laboratory in Peru.

As described by the manufacturer, LIBS (Laser-Induced Breakdown Spectroscopy) is a spectroscopic technique based on atomic emission. It uses short duration (nanosecond or less) pulsed laser beam focused onto the sample (solid, liquid, gas) to vaporize it, then atomize and ionize the vapor, and form a plasma in which atoms and ions are driven to excited states. During plasma expansion and cooling, these atoms and ions relax to lower-energy states by emitting specific radiation related to the underlying electronic transitions. The optical spectrum related to the plasma emission is then obtained by the use of a spectrometer in the UV–visible-NIR range. The wavelengths of the detected atomic lines provide qualitative information on the presence of elements within the laser-induced plasma and consequently on the sample. Finally, the lines intensities are related to the element concentrations and the plasma properties.

Fast and precise identification of minerals in geological samples is of paramount importance for mining exploration. In this context, Laser-induced breakdown spectroscopy allows deeper insights to help the process of mineral identification.

To validate this methodology for measuring lithium-bearing minerals, some of the samples were sent to SGS Laboratory in Peru. The laboratory reported anomalous levels of lithium (Table 9-1); LIBS results are shown in Figure 6-2



**Figure 6-2: LIBS testing results.**

The samples for both post-collection LIBS testing and analysis were placed in cloth bags and labeled with unique numbers. IMEx Samples confirmed by the LIBS to contain high levels of lithium were sent to SGS Laboratories in Lima, Peru, SGS is an independent geochemical analytical laboratory that retains ISO 17025 Laboratory Accreditation

Samples of 250 grams were crushed to 95% passing a 200-mesh sieve. The crushed material was then subjected to a standard SGS preparation involving a simple 9-hour Aqua Regia digestion.

Sampling to date has consisted of collecting grab samples by hand. Care was taken to try to dig below surface weathering and alteration using a hammer and/or shovel. Material clean of soil, roots and other biological material and obviously leached rock was extracted and sealed in plastic bags, first for testing with the LIBS.

Samples returning, mainly the higher values, for lithium enrichment were subsequently further broken down if necessary, using a cleaned hammer on a sterile surface, and packaged for delivery to the SGS laboratory in Salta, Argentina for preparation and transshipment to the SGS facility in Lima Peru. There, the samples were further prepared using a single acid digestion, and the solute analyzed using ICP-AES (SGS Procedure for multi-acid digestion: ICM40B, ICP-AES and ICP-MS finish). SGS submitted their reports and analytical certificates electronically.

The initial sampling was intended for reconnaissance purposes only, consisting of only a small number of low-volume samples. Only one sample was split as a duplicate. As shown below, the difference between

the duplicate samples submitted to the SGS lab was less than 5% for lithium and associated elements, excepting boron (B), which is not included with the multi-element suite (Table 11-1).

	Ca	Fe	K	Li	Mg	Na	S
	%	%	%	ppm	%	%	%
Sample 110	4.44	1.29	2.46	165	1.94	1.97	0.04
Sample 110 Duplicate	4.6	1.33	2.56	167	2.01	2.03	0.04
Difference	4%	3%	4%	1%	4%	3%	0%

Table 6-1: Comparison of duplicate sample analyses

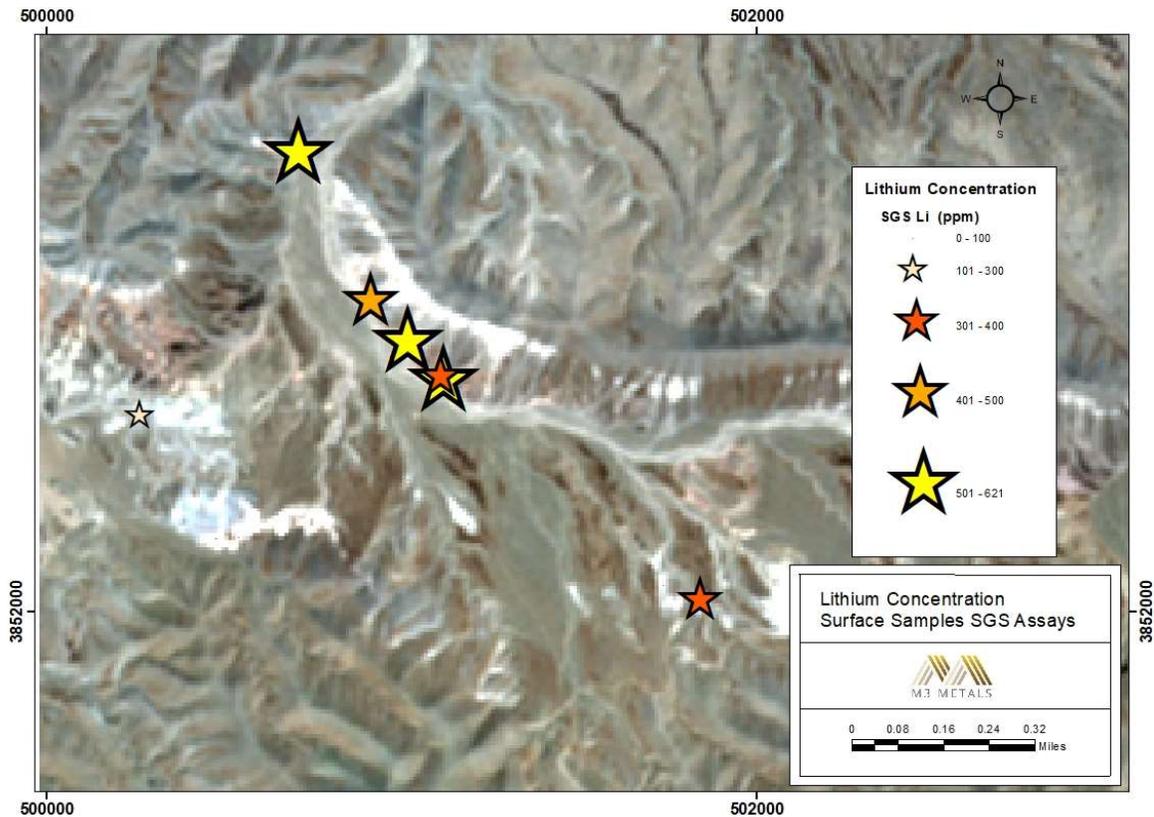


Figure 6-3: SGS assays

LIBS and SGS results are shown in Table 6-1.

Sample ID	POINT_X	POINT_Y	POINT_Z	Lithium Measurements Using LIBS (ppm)				SGS_Li (ppm)
				1 Li (ppm)	2 Li (ppm)	3 Li (ppm)	Average_Li (ppm)	
114A DR	500476.14	3852206.45	885.66		929	1844	1387	55
114B DR	500476.14	3852206.45	885.66	750	533	749	677	
115 DR	500540.80	3852211.44	890.03	989	1095	944	1009	
116 DR	500261.11	3852559.52	858.49	1316	744	1135	1065	184
117 DR	500911.88	3852883.15	858.88	1543	1525	1393	1487	425
118 DR	500921.58	3852849.99	861.38	449	487	243	393	
119 DR	500711.20	3853303.41	852.94	2256	2081	1647	1995	581
127DR	500652.81	3852630.07	868.03	712	1275	740	909	
128 DR	500905.66	3852907.32	876.02	1014	1056	1012	1027	
128 DR	500905.66	3852907.32	876.02	350	601	480	477	
129 DR	501017.98	3852731.46	871.04	1147	1085	1336	1189	
129 DR	501017.98	3852731.46	871.04	934	496	1056	829	
130 DR	500950.87	3852521.75	876.99	120	590	783	498	
131 DR	501017.11	3852372.28	880.87		258	350	304	
132 DR	501046.47	3852310.96	880.55	677	685	585	649	
133 DR	501301.42	3852561.50	877.03	775	801	706	761	
134 DR	501189.52	3852246.54	886.43	278		455	367	
135 DR	501774.37	3851940.46	911.44	543	543	405	497	
136 DR	501843.14	3851973.86	905.44	710	870	640	740	
137 DR	501827.87	3851988.38	905.09	750	855	622	742	
138 DR	501841.39	3852041.94	901.31	1604	1113	1031	1249	303
139 DR	501738.22	3852074.64	899.12	1161	769	676	869	
140 DR	502140.03	3851959.17	919.44	1814	777	964	1185	
141 DR	502320.59	3851932.60	918.81	716	956	1925	1199	
142 DR	502314.38	3851889.35	919.62	1949	1686	1100	1578	175
143 DR	501019.62	3852772.27	870.13	1949			1949	590
144 DR	501111.09	3852671.14	868.72					367
145 DR	501119.41	3852662.16	868.09					621

**Table 6-2: Lithium Concentration of the Surface Samples**

## 7. Geological Setting and Mineralization

On a regional scale, the Daggett Lithium Project lies within the Mojave Block, defined by the Garlock fault zone to the north, the San Andreas fault system to the south and west, and the Granite Mountains fault to the east (Dokka 1983, 1989). Later structures within the block tend to parallel the San Andreas system, a northwest trending fault system.

An important, and central feature within the Mojave Block is the Mojave Extensional Belt. According to Dokka, early Miocene extensional tectonism in the Mojave Desert was concentrated in a regional east-west (present day) orientated belt. The belt is characterized by mildly tilted fault blocks consisting of Oligocene-lower Miocene volcanic and sedimentary rocks, frequently observed to rest unconformably on pre-Tertiary igneous and metamorphic rocks. Regardless of the sometimes hotly contested scale and cause of the unconformity, the associated volcano-sedimentary package plays host to a number of mineralized areas with important associated mining districts. Relevant to this report, those mines include the Boron, Calico Mountains, and Fort Cady borate deposits, all of which contain high levels of lithium. Figure 7-1 shows the Local Geology.

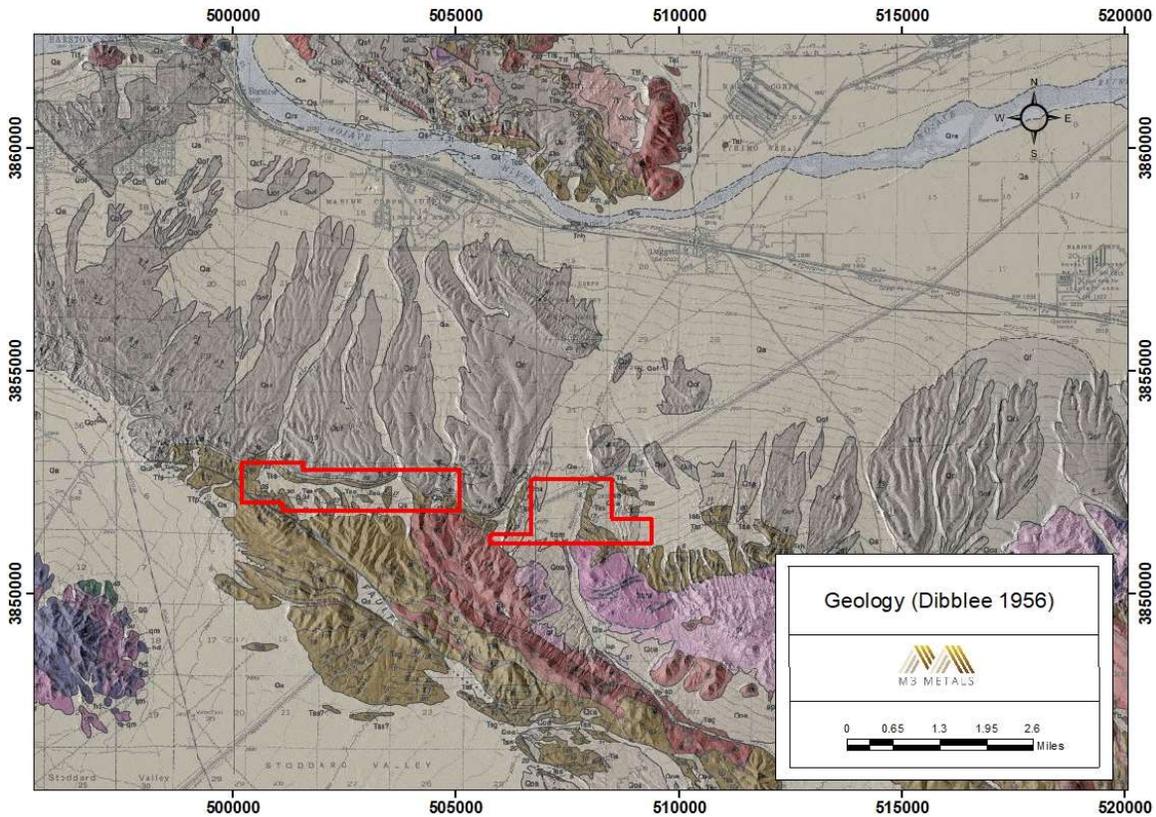


Figure 7-1: Geological map of the region.

**Legend Geological Map**

**gr** Granite, gray-white to buff-white or locally pink to pinkish-gray-white, ranges from granite to quartz monzonite, **qm** Quartz monzonite, **bqm** Biotite quartz monzonite, **gqm** Granite to quartz monzonite, **grd** Granodiorite, **Qa** Alluvial sand of valley areas, **Qs** Dune sand, deposited by prevailing westerly winds, **Qc** Clay of playa lakes, **Qrs** Sand of Mojave River Channel, **Qf** Fan gravel, **Qoa** Older alluvial gravel, sand, and silt, **Qof** Older fanglomerate and gravel, **Qoc** Older clay and marl, **Tl** Limestone, white, massive, in part silicified to white opaline chert, **Tid** dacite, **Tai** Andesite to dacite, **Taa** Volcanic andesite breccia and extrusive agglomerate, of unsorted angular fragments, **Tap** Andesite to dacite porphyry, **Ts** Shale and sandstone interbedded; shale, **Tsl** Limestone, **Tst** Tuff, tan or light gray to white, massive to poorly bedded, rhyolitic or andesitic fragments, **Tsc** Conglomerate, poorly bedded, and breccia composed of rounded to subangular fragments of Tertiary andesitic or Mesozoic **Tss** Sandstone, **Tsi** Shale similar to Tsh but commonly almost white and tuffaceous, **Tsg** Granitic conglomerate, **Tsf** Fanglomerate, gray, unbedded, of mostly unsorted boulders, cobbles, and pebbles of andesitic to latitic porphyry and few granitic, **Tbb** Andesite breccia or agglomerate, **Tfp** Lower fanglomerate of porphyry detritus, **Tpb** Porphyry breccia, **Tbu** Basalt flows, hard, vesicular, similar to Tb; forms lenticular flow or sills, and prominent flow that forms Daggett Ridge **Tag** Agglomerate, of unsorted, subrounded to subangular boulders, cobbles, and smaller fragments, **Tf** Fanglomerate, **Tcb** Conglomerate, **Tt/Ttb** Tuff breccia, **Ttr** Tuff breccia, **Tls** Lacustrine limestone, shale, and tuff; limestone light gray to greenish gray, hard, microcrystalline, with thin intercalations of shale and locally thick lenses or nodules of dark gray chert; includes shale, tuffaceous shale, tuff, and tuffaceous sandstone, cream-white to light gray, commonly thin bedded, **Tat** Andesite and tuff breccia, **Tab** Andesite or dacite breccia, **Ta** Andesite or dacite flow rock, **Trf** Red felsite, **Ttf** Tan felsite, similar to Trf but tan or buff, light-gray where unweathered, one or several thick flows or flow-breccias, possibly in part intrusive; rests on bqm, overlain by Trf or Tls **Td** Diabase, **Tb** Basalt, black, massive, **Tcs** Conglomerate and sandstone, forms basal unit of well rounded cobbles and pebbles

## 7.1. Mineralization

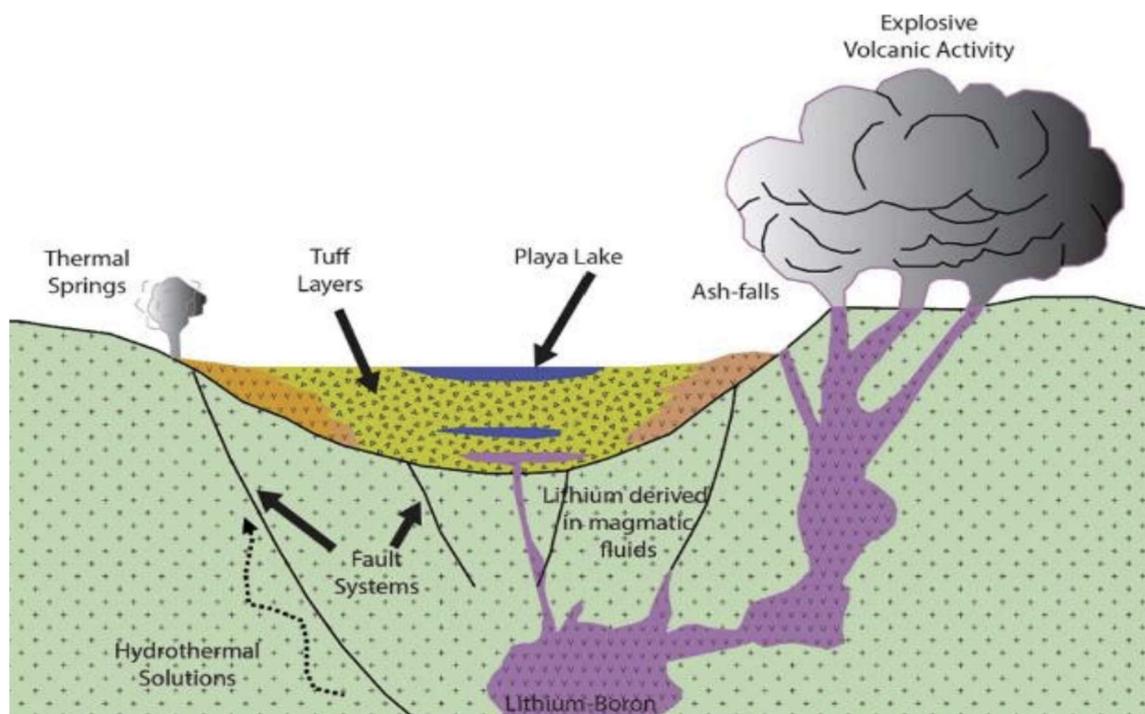
The mineralization of the Daggett Lithium Project occurs as lithium enrichment in clay-dominant sediments of the Miocene-aged Barstow Formation. This is typically accompanied in the region by high levels of boron. The enrichment has been detected along a 14km trend in surface exposures of the generally east to west-striking, north dipping paleo-lacustrine unit. The Barstow Formation sediments terminate against the Lenwood fault to the west, and the Camp Rock fault to the east.

As described by Dibblee (1956, 1970) and shown in Figure 7.1, the Barstow Formation is part of a thick and extensive volcano-sedimentary package that is found along the regional east-west “trough” feature that can be followed more than 100km from Boron in the west, to at least the Pisgah Crater (Fort Cady) area, some 30km east of the Daggett Lithium Project area. It is this association of andesitic volcanism and ash falls adjacent to endorheic saline lakes, formed in fault-bound extensional basins, which are believed to have created the environment to quickly alter the deposited ash fall and ash-flow tuffs to clay, in which lithium and boron is contained.

## 8. Deposit Types

The Daggett Lithium Project area lithium enrichment are thought to be similar in origin to a number of clay-hosted boron deposits of the Mojave Desert region, including the Gem Mine and the Calico borate district. Among known lithium clay deposits currently in development, it appears to be most similar to the Tonopah Lithium Clay deposit in Nevada (Chafetz, 2023). In these types of occurrences, elevated lithium concentrations accumulated in clay deposits of hydrologically closed basins that also contain silicic volcanic rocks (Figure 8-1). These are commonly ash-rich, lacustrine rocks that contain swelling clays (Asher-Bolinder, 1991). Common accessory rocks include volcanic flows and detritus, alluvial-fan and –nearly flat lying lacustrine units. All of these features are characteristic of the Daggett Lithium Project area.

The USGS described a model of lithium in smectites of closed basins in their 1991 Open File 99-11A report. The specific model (Model 25I.3(T)) described in the publication, proposed three forms of genesis for clay hosted lithium deposits: the alteration of volcanic glass to lithium-rich smectite; precipitation from lacustrine waters; and incorporation of lithium into existing smectites. In each case, the depositional/diagenetic model is characterized by abundant magnesium, silicic volcanics, and an arid environment (Asher-Bolinder, in Orris, et al,1991, p.11).



**Figure 8-1:. Schematic model of clay Lithium deposits**

*(Modified after Helvacı, C., 2015, from Vardar Minerals Ltd, Viti Li-B Project, Kosovo).*

## 9. Exploration

M3M has not itself conducted exploration activities on the Daggett Lithium Project

## 10. Drilling

There has been no drilling on the Daggett Lithium Project to date.

## 11. Sample Preparation, Analyses and Security

M3M has not yet conducted, on its own behalf, exploration and sampling activities in the Daggett Lithium Project area. Work conducted by IMEx Consultants is included in section 6.

The author considers the sampling and QAQC procedures adequate for the initial reconnaissance phase of the Daggett Lithium Project program.

## 12. Data Verification

During the author's visit to the site on April 13, 2023, he selected 4 locations to sample as a form of validation for the original sampling. (Figure 12-1).

The independent check samples have not yet been assayed but will be included in a subsequent report with added sample sites to verify the original sampling and help to locate areas to concentrate further detailed mapping and sampling. The QP verified the sampling and handling procedures and considers the data adequate for this Technical Report.



**Figure 12-1: QP collecting validation sample near the location of original sample.**

### **13. Mineral Processing and Metallurgical Testing**

No mineral processing or metallurgical testing has been completed for the Daggett Lithium Project. Pending the outcome of the next-stage mapping, sampling, and mineralogical studies, possible processing flow sheets will be considered. These options will in turn be subject to future studies, including metallurgical tests at a later stage of the project.

### **14. Mineral Resource Estimates**

There is insufficient data at this time to report a mineral resource estimate.

### **23. Adjacent Properties**

There are no active properties adjacent to the Daggett Lithium Project area, nor other relevant activities to report as of the writing of this report.

### **24. Other Relevant Data and Information**

The author knows of no other relevant data and/or information to report at this time.

## 25. Interpretation and Conclusions

The Daggett Lithium Project area is well known to the author of this Technical Report who is familiar with historical exploration results for borate minerals, both specific to the area of the Daggett Lithium Project, as well as specific to other similar targets throughout the western US.

Limited surface sampling in the area confirms the presence of moderate to high lithium values in discreet sedimentary layers over a very large area and accumulated thickness of late Tertiary-aged Barstow Formation sediments.

The results of sampling and field-testing to date confirm that the Daggett Lithium Project constitutes a target of interest for further lithium exploration work.

## 26. Recommendations

Due to limitations imposed by the status as an Area of Critical Environmental Concern (ACEC), until a Plan of Operations has been approved by the Bureau of Land Management, activities are limited to casual use only. These activities include:

- Mapping with access limited to walk-in and vehicular movement on existing roads and trails, or by helicopter. Sampling will be the most important activity to bring the property up to the level of recommending a drilling program. The mapping and sampling should be concentrated on stratigraphic interpretation of the fine-grained clay horizons within the sequence (Tertiary Barstow Formation) and include detailed structural interpretations which can contribute to targeting initial drill sites. Sampling should be tied to the stratigraphy, which will also contribute to the distribution of initial drill holes.
- Geochemical sampling is limited to hand sampling. The aforementioned mapping can include hand-held chemical detection and measuring equipment, primarily Laser Induced Breakdown Spectroscopy (LIBS) to facilitate reconnaissance sampling. Once surficial lithium values have been mapped, grid sampling will follow. The level of consistency seen in the reconnaissance sampling will ultimately determine the sampling grid; a first pass might typically involve soil samples collected at 50 meter spacing, along lines spaced 100 meters along strike, and oriented perpendicular to the strike of the favorable sediments. Sampling will be accomplished using portable GPS units to locate sampling sites, and hand tools (hammers, small picks, trowels, and small shovels) to collect samples of approximately 1 kilogram that will be stored in bags. Access will be by light vehicles on existing roads as recognized by the BLM, and on foot from drop-off points along permitted roads where they intersect or pass near the sampling lines.

In addition to the extended sampling and testing program, fractional studies throughout the assaying process will be tested to determine the cause of the absolute differences reported for lithium values by the use of the hand-held analyzer and laboratory analyses. Until such differences can be explained, and the higher hand-held analyzer values supported, reporting will generally be limited to conventional laboratory analyses methods.

- Geophysics: The clay-rich setting for the lithium mineralization in this area is amenable to electrical (subsurface resistivity/conductivity detection) methods, such as electrical resistivity tomography (ERT), that can detect variations in electrical conductivity in the subsurface. As with

the mapping and sampling at the pre-PoO stage, vehicular access will be limited to existing recognized trails and roads. Geophysical survey lines will be located though mapped outcrop areas, extending to detect conductivity variations down-dip (north).

- Other costs: Pending the outcome of the first-stage mapping, sampling, and mineralogical studies, possible processing flow sheets will be considered. These options will in turn be subject to future studies, including metallurgical tests at a later stage of the project.
- 

The phase I program consists of preliminary mapping, sampling and geophysics, all work that can be done without surface disturbance and permits. As shown in Table 26-1, the estimated cost for Phase I is a little less than C\$472,500 (US\$350,000). Further work is contingent on the outcome of Phase I. The outcome of this initial work will indicate if a capital raise for further work is justified. If it is, the remaining tasks will advance the program to permitting for drilling at an additional estimated cost of C\$810,000 (US\$600,000), bringing the total for Phase I plus Phase II to C\$1.283M, or US\$950,000.

**Table 26-1: Proposed Budget for Phase I and Phase II (contingent) programs**

Activity	Budget (US\$)	Schedule
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Activity	Schedule	Est US\$000s	Est C\$000's
<b>PH I</b>			
Mapping	Oct 23 - May 24	40.0	54.0
Sampling	Jan - May 24	60.0	81.0
Geophysics	Apr - May 24	150.0	202.5
G&A	Oct 23 - May 24	100.0	135.0
		350.0	472.5
<b>PH II</b>			
Baseline studies	Feb 24 - Jan 25	150.0	202.5
BLM EA	Jun 24 - Jan 25	150.0	202.5
NEPA Review	Apr 24 - Feb 25	100.0	135.0
Legal		50.0	67.5
G&A	Apr 24 - Feb 25	150.0	202.5
		600.0	810.0
		950.0	1,282.5

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