

EARLY WARNING REPORT
NATIONAL INSTRUMENT 62-103

Item 1. Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Units of NRG Metals Inc. (“**NRG**”), each Unit consisting of one common share (“**Common Share**”) in capital of NRG and one Common Share purchase warrant (“**Warrant**”) entitling the holder thereof to purchase one Common Share at an exercise price of \$0.20 for a period of three years from the distribution date.

NRG’s head office is located at:
Suite 804, 750 West Pender Street, Vancouver, BC V6C 2T7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Latam acquired beneficial ownership of and control over 9,800,000 Units pursuant to the terms of a subscription agreement (the “**Subscription Agreement**”) entered into between Latam Resources Pty Limited (“**Latam**” or the “**Acquiror**”) and NRG (the “**Acquisition**”). The Acquisition did not take place on a stock exchange or other market that represents a published market for securities. Exercise of the Warrants are subject to a warrant exercise agreement (the “**Warrant Exercise Agreement**”) that limits Latam to exercising any warrants that will cause Latam to hold more than ten percent (10%) of NRG’s issued and outstanding Common Shares as of the date of the Warrant exercise.

Item 2. Identity of the Acquiror

2.1 State the name and address of the acquiror.

Latam Resources Pty Limited
c/o Chengdu Chemphys Chemical Industry Co., Ltd.
Tower 3-1101, Yintai Center, 1199 North Tianfu Ave, Hi-Tech District, Chengdu
610041, P.R. China

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Latam acquired beneficial ownership of and control over 9,800,000 Units pursuant to the terms of the Subscription Agreement.

2.3 State the names of any joint actors.

Chengdu Chemphys Chemical Industry Co. (“**Chengdu**”).

Item 3. Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

Latam acquired 9,800,000 Common Shares and 9,800,000 Warrants.

Prior to the Acquisition, the Acquiror did not own, directly or indirectly, or exercise control or direction over any securities of NRG.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

The Acquiror acquired beneficial ownership of and control over 9,800,000 Common Shares and 9,800,000 Warrants, which triggered the requirement to file this report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not Applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Acquisition the Acquiror did not own, directly or indirectly, or exercise control or direction over any securities of NRG.

Following completion of the Acquisition and upon termination of the Warrant Exercise Agreement, the Acquiror owns, directly or indirectly, an aggregate of 9,800,000 Common Shares, representing approximately 9.66% of the issued and outstanding Common Shares, and together with the 9,800,000 Warrants represents 19.32% of the issued and outstanding Common Shares on a partially diluted basis.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

The Acquiror owns, directly or indirectly, all of the securities described above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not Applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not Applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not Applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not Applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not Applicable.

Item 4. Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Units were purchased at \$0.10 per Unit and the total consideration paid by the Acquiror for the Units amounted to \$980,000.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not Applicable.

Item 5. Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

The Common Shares were acquired by Latam for business related investment purposes. Pursuant to the Subscription Agreement, under the first tranche of the private placement Latam subscribed for an aggregate of 980,000 Units. Under the second tranche of the private placement Latam anticipates acquiring 620,000 additional Units upon clearance of the personal information forms by the TSX Venture Exchange. Latam does not have any definitive plans or future intentions which relate to NRG's current business or corporate structure. In connection with the Acquisition, NRG and Latam entered into an ancillary rights agreement pursuant to which Latam may nominate certain individuals as directors of NRG. Latam is owned by one of the principal shareholders of Chengdu Chemphys Chemical Industry Co., Ltd. ("**Chemphys**"), and in connection with the Acquisition, Chemphys and NRG entered into and

offtake agreement covering all lithium products produced from NRG's Hombre Muerto North Lithium Project.

Item 6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Details of the Acquisition and all transactions related thereto are set forth in press releases of NRG copies of which are available at www.sedar.com under NRG's profile.

Item 7. Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not Applicable.

Item 8. Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not Applicable.

Item 9. Certification

The undersigned hereby certify to the best of their knowledge, information and belief, that the statements made in this report are true and complete in every respect.

[Remainder of page intentionally left blank- signature page to follow]

This report must be signed by each person on whose behalf the report is filed or his/her authorized representative.

DATED this 16th day of November, 2017.

LATAM RESOURCES PTY LIMITED

“Yi Hua Dai”

Authorized Signatory