



Suite 450-789 West Pender Street  
Vancouver, BC V6C 1H2  
[www.dajin.ca](http://www.dajin.ca)

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

## CORPORATE UPDATE

### **DAJIN PRESIDENT AND CHIEF OPERATING OFFICER INTERVIEWED BY METALS NEWS**

**Dajin Resources Corp. (TSX-V: DJI, OTCQB: DJIFF): Lithium Exploration Company, Large 100% Owned Brine-Based Lithium Projects, in Argentina and Nevada, Interview with Mr. Brian Findlay, President and CEO, and Dr. Catherine Hickson, Director and COO**

**By Dr. Allen Alper, PhD Economic Geology and Petrology, Columbia University, NYC, USA**

***September 4, 2018 - Dajin Resources Corp. (TSX-V: DJI, OTCQB: DJIFF) is an early stage lithium exploration company, with large 100% owned brine-based fully permitted drill ready lithium exploration projects, located in the salar basins of northwest Argentina and Nevada. On August 8, 2016, Dajin's wholly owned Argentinian subsidiary, Dajin Resources S. A., signed a binding Memorandum of Understanding ("MOU"), with LSC Lithium Corporation ("LSC Lithium"), whereby LSC Lithium was granted an option to earn a 51% interest in Dajin's lithium properties in Argentina by spending \$2 million in exploration expenses. We learned from Mr. Brian Findlay, President and CEO of Dajin Resources, and Dr. Catherine Hickson, Director and Chief Operating Officer, that their project in Nevada is one of the few untested areas in all of North America for lithium brines, and Dajin has now built all the necessary infrastructure and is ready to start drilling. We also learned from Dr. Hickson, that the company just started this year's drilling campaign in Argentina.***



*Access Road to Drill Pad #1*

Dr. Allen Alper:

This is Dr. Allen Alper, Editor-in-Chief of Metals News, interviewing Brian Findlay, who is President and CEO of Dajin Resources Corp., and also Dr. Catherine Hickson, who is Director and Chief Operating Officer. I wonder if you could give us, our readers/investors an overview of Dajin Resources.

Mr. Brian Findlay:

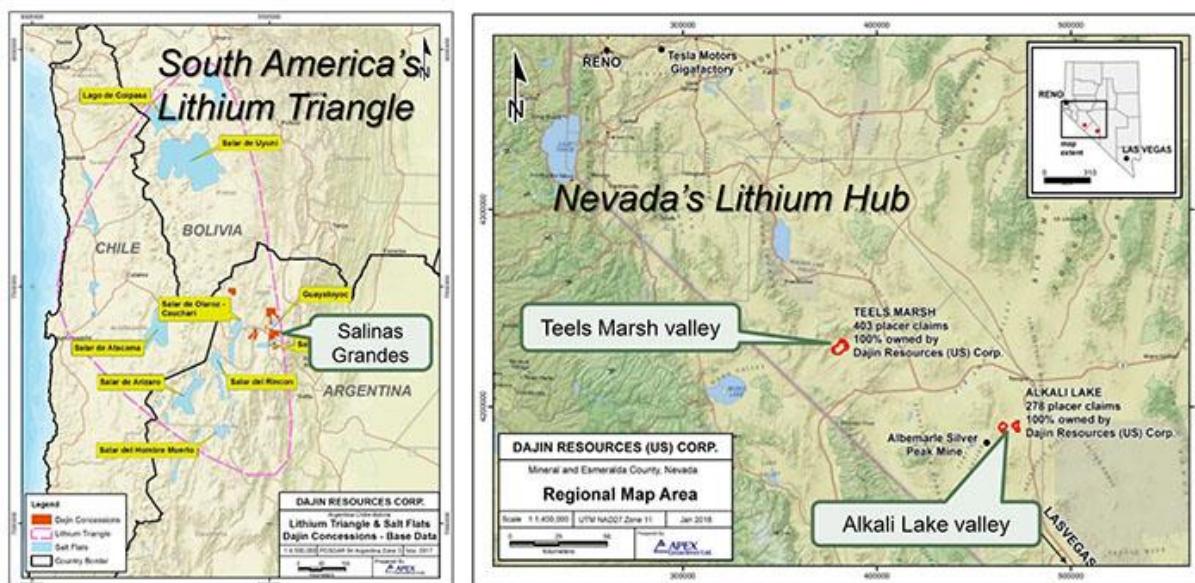
Well, Dajin Resources has been in the lithium exploration business for over 10 years. We've accumulated one of the largest landholdings in Argentina, over 230,000 acres or 93,000 hectares. In Nevada we've also accumulated a large landholding. We hold 100% of the Teels Marsh Valley, on which we've completed a gravity survey, a seismic survey, and completed all the access roads and drill pads. One of the two large drill pads provide access out into the playa, so we're ready for drilling in Nevada. Our project in Nevada is one of the few untested playas in all of North America exploring for lithium brines.

Dr. Allen Alper:

That sounds excellent. Could you tell me a little bit more about each project, the Argentina one and then the other?

## Dajin Properties

- **Locations:** Advantageously located in Nevada's Lithium Hub and South America's Lithium Triangle.
- Large, basin wide, high quality Lithium exploration targets.



A Lithium (battery mineral) exploration company

25

Mr. Brian Findlay

Well, Cathie Hickson is the Chief Operating Officer. I think she can give a little better description of both Argentina and Nevada. Cathie?

Dr. Catherine Hickson:

In Argentina as you mentioned earlier, we have a partner, LSC Lithium Corp, which was established a couple of years ago. They are the operator. In order to earn 51% they have to spend \$2 million in basically exploration expenses. In February, we announced the results of the first phase of exploration on a very small portion of our property. I think that's an important point to make; we have this very large landholding and the exploration was just done on a very small portion of the landholding, on an area called San Jose-Navidad. And the reason that it was carried out there is in Argentina, in the province of Jujuy, you have to have exploration permits in order to do your exploration.

San Jose – Navidad is already a “mina”, so was easiest to obtain the Lithium brine exploration permits.

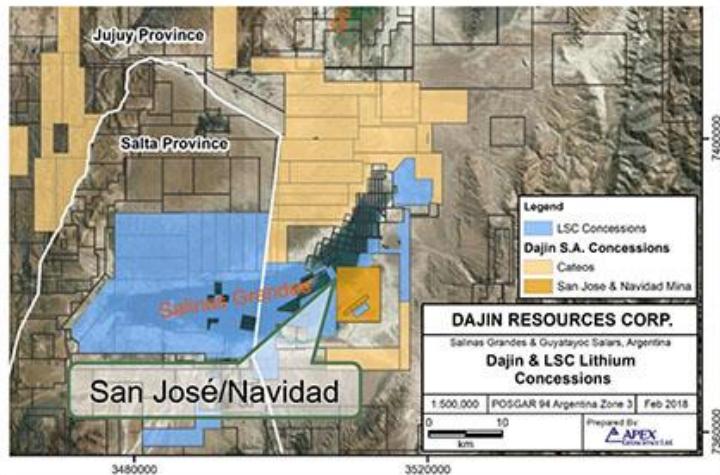
## Dajin Resources S.A. – Property Locations



### LSC Lithium Corporation Transaction

\$1million paid & \$2 million in property expenditure commitment to earn 51%

- First exploration permit for 4,400 hectare (10,625 acres) hectare San José/Navidad mina awarded.
- Stakeholder engagement and community consultation in progress.
- Acquisition of majority of Salinas Grandes land position in both Salta and Jujuy provinces.
- First surface exploration results released February 2, 2018 show very high value assays ranging from 281m/l Lithium to 1,353 mg/l Lithium, averaging 591 mg/l Lithium.
- Drill program on the San José/Navidad concessions commencing in August 2018



A Lithium (battery mineral) exploration company

So we were able to obtain our permits first for this San Jose Navidad area. And the results were very encouraging. Actually, some of the best lithium brine analyses that have been announced, and similar in fact, to what you find in the Atacama in Chile. So we were very excited. In the southern hemisphere it's the opposite for the seasons. They couldn't start phase two exploration until now because January, February, March, April is their rainy season. With a lot of rain they get flooding of the salars and you can't do exploration.

So they've just started. Today they are commencing the next phase of exploration on this small portion, San Jose-Navidad. We will expect results in 8 to 12 weeks. They're doing shallow drilling, because San Jose Navidad is on a very large salar called Salinas Grandes, which means "big salt" in Spanish. It's a very small portion, but we know that Salinas Grandes is potentially very productive. It will have a very significant resource.

# Jujuy Province, Argentina

## Dajin Resources S.A. holds more than 93,000 hectares (230,000 acres), Jujuy Province.

- Primarily located in Salinas Grandes and Guayatayoc salars.
- Good access and infrastructure. First exploration permits awarded to Cooperativa San José November, 2017.
- First exploration results yield very high value Lithium assays.

## Share Purchase agreement with LSC Lithium Corporation.

- To earn 51% interest in Dajin Resources S.A. (Argentina).
- \$1M paid to Dajin, \$2M property expenditures commitment required.

## LSC Lithium Corporation

- Founded by successful mining executives with decades of experience.
- Project aggregator of Argentine salars in "The Lithium Triangle".
- Made investment of \$500,000 P/P in Dajin @ \$0.18/unit.
- LSC Lithium has stated the following for Salinas Grandes salar:  
*"Given the size of this salar, it has the potential to be LSC Lithium's largest source of future revenue."*



A Lithium (battery mineral) exploration company

We announced those results back on February 28th. There's a press release associated with that, which gives the actual numbers. We're going to have a press release coming out tomorrow, announcing that the phase two exploration has started. Because they're the operators, they control the timing and execution of the project. The good thing is that it's their money that is being spent. The bad thing is we are not directing the program. But we're very comfortable with the crew that they have, their exploration team, and are happy with the work they're doing.

Dr. Allen Alper:

That sounds excellent. I know both of you have impressive backgrounds and experience. Could you each tell us about your background and also your team's and board's background?

Mr. Brian Findlay

I've been involved with public companies for over 30 years. We've had a lot of different products over the years. Dajin has actually been involved in three or four different types of business. I've been with the company raising money and making changes as market conditions change. Lithium, I think, is probably the best opportunity right now for Dajin. We've been working on it for over 10 years. We're one of the first in Argentina, and I think the benefits are going to be coming to the shareholders very shortly. Raising money over the years, I've probably raised well over \$500 million for various projects. Dajin is my favorite right now, and I'm giving it my full attention. That is definitely where our focus is and I think we're going to do very well.

Dr. Allen Alper:

You have a great background. You've had great foresight, being in Argentina and working on your lithium projects there for some time and moving them along. Excellent! Cathie, could you tell our readers/investors a bit about your background? I see you have an extremely interesting, great background.

Dr. Catherine Hickson: I have a PhD. which when working with publicly traded companies can be an asset because it shows competency in a body of work. My focus has been volcanology and the link between volcanoes and lithium brines is a very direct one. The lithium concentration, in particular in brines, is associated with volcanism. I've also had significant experience in exploration in the geothermal field, which is also related to lithium in the sense that they're in the same environment and also related to volcanism. We use exactly the same exploration techniques for both geothermal resources as well as lithium brines. I've been with publicly traded companies now for a decade. It's a very different environment from working as a research scientist for the government of Canada, but a very interesting and a very exciting one.

Dr. Allen Alper: That sounds great. I noticed you have received recognition and some very prestigious awards. Could you tell us more about that?

Dr. Catherine Hickson: Probably the most important one is the Westerman Award, awarded by what is now called Engineers and Geoscientists, British Columbia. It is the top award presented to a geoscientist for their work in the field of geoscience. I received that a few years ago. More recently, one of our universities here honored me with an honorary doctorate of technology.

Dr. Allen Alper: That sounds excellent. The two of you make an excellent team to raise funds and also to carry out technical exploration, et cetera. Brian, could you mention a few other members of your team?

## Dajin Board

- People:** Management with a strong track record and experience in Lithium brine exploration as well as been involved in major discoveries in other commodities with experience taking exploration discoveries to production.

### BOARD OF DIRECTORS



Brian Findlay  
President &  
CEO



Dr. Catherine  
Hickson  
COO



Dr. Mark  
Coolbaugh  
Exploration



Cosme  
Beccar Varela  
Dajin S.A.

### TECHNICAL ADVISORY BOARD



Christoph Wels  
hydrogeologist



Dick Benoit  
Drilling



Dr. Beatrice Coira  
Geology



Roberto Page  
Corporate & Mining

Mr. Brian Findlay One of Cathie's associates is Dr. Mark Coolbaugh, a director of the Company. He has a very good resume as to his experience in the industry. He's very familiar with the geothermal side of the industry. He's written articles on the lithium brine prospects in North America and he's a very valuable person to have on board. He's located in Reno, Nevada, which is a hotbed for lithium companies right now. As we all know, our friend Elon Musk is just around the corner with his gigafactory. He's been instrumental in kicking off this whole electric vehicle revolution that we're experiencing, which is going to last for another hundred years, I'm sure. There are three directors, Mark Coolbaugh, Cathie Hickson, and myself.

Dr. Allen Alper: Sounds excellent! That sounds like you have a great team and Board. Excellent! Could you tell our readers/investors why lithium is so important and why it's projected to be so great?

Mr. Brian Findlay Cathie's our expert in that area. She and Mark are doing a special study right now, studying lithium brines and lithium from hard rocks. Their study is going to be very significant.

Dr. Allen Alper: Very good, Cathie! Could you update our readers/investors? We've published many, many articles on lithium and they are very popular with our readers/investors, so I know they will value your insight on lithium.

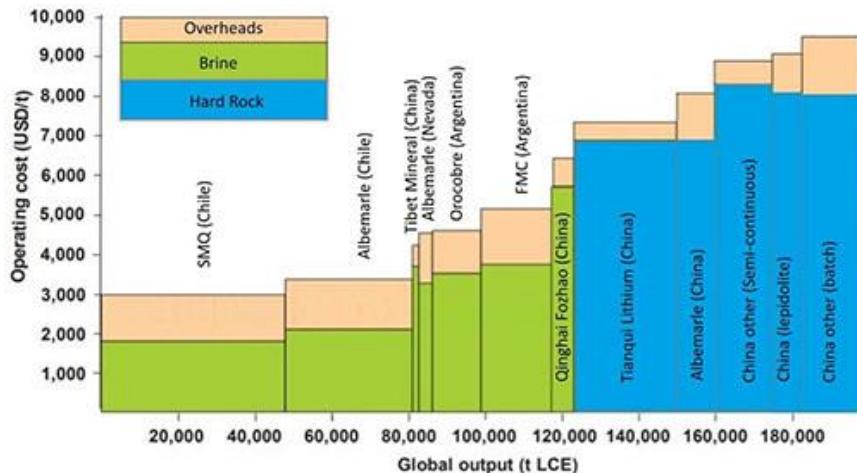
Dr. Catherine Hickson: It is very interesting. Mark Coolbaugh is also a research scientist, and I think that carries through in terms of how we deal technically with aspects of the company. Mark and I have been working on where the lithium in the brine comes from, as part of our exploration strategy for Dajin. There are hard rock sources, and those hard rock sources were the first to have been exploited as a source of Lithium. Back in the 1800s, when lithium was recognized as an element, it started with extraction developed specifically for spodumene. It wasn't until just before World War II that lithium was discovered in brine at Searles Lake in California. It was in fairly low concentrations.

A very interesting piece of this whole story is the role that Nevada and Clayton Valley played in the exploitation for lithium from brine and in successfully extracting the Lithium. The mine is called Silver Peak, and it's now owned by Albemarle. Silver Peak was the first place where lithium was extracted from brine in a process developed by Foote Minerals. The brine mine went into production in 1965. So they've been producing for more than 50 years now. Once lithium was identified in Searles Lake in California, companies started doing exploration and soon after Clayton Valley deposits were found by a small company called Leprechaun. In fact, they were not looking for Lithium but were drilling for potash. It was only after they started exploration that they discovered it had significant lithium. At the same time Foote Mineral's exploration crew started looking internationally and went to Chile, where they found significant resources. They took the extraction technology from Nevada, developed at Clayton Valley, and started exploiting the Chilean resources. So, it's an interesting "made-in-the-USA" story with global implications.

Some literature out there says that lithium extracted from spodumene is better for batteries, but I don't buy that. Lithium as a battery metal has to be 99.5% pure lithium. That .5% in contaminants is in iron, an important one, and various other elements. That .5%, in contaminants is present whether you're working with spodumene or with a brine. In the end it's all about the purification process, and creating a product that is acceptable to the battery industry regardless of the source of the Lithium. Finding enough resource that is economic enough to go through the purification process and come up with that 99.5% pure, either lithium carbonate or lithium hydroxide, with contaminants

acceptable to the battery manufacturers is the key. Brines have consistently proven to be the low-cost alternative with the greatest potential resource. So, we focused on the brines for those two reasons - largest single resource and lowest cost option.

## Lithium – Production Costs



- Brines – historically cheaper to produce from than “hard rock” Lithium sources.
- Lithium battery recycling projected to reach only 9% of needs by 2025 (<http://www.mining.com/> December 2017)

(Adapted from Roskill 2017)

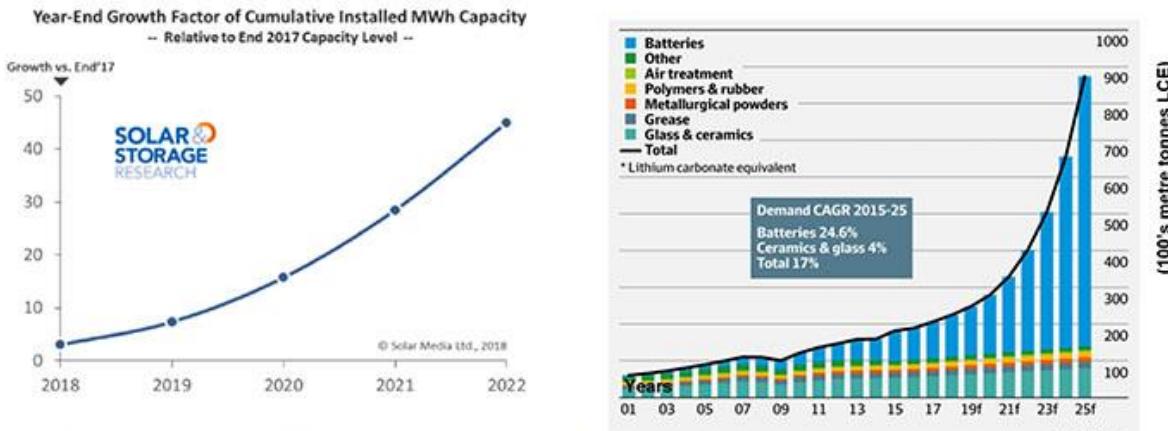


A Lithium (battery mineral) exploration company

Most of the world's lithium is produced from brine. The production from hard rock is about 80,000 tons per annum. Total world production of lithium is about 200,000 tons per annum right now. And what's important is what's the growth going to be? Depending on which pundit you believe, in a five to 10-year time span, predictions range from 500,000 tons to 3 million tons per annum. So all sources of lithium are going to be important down the road. Because brine has a lower cost for production and purification, it seems to be the way to go for the future.

# Lithium – Demand Outlook

An analysis done by the UBS Evidence Lab (May 18, 2017) suggests that there will be a 2,898% jump in Lithium demand in a 100% EV world. Roskill another industry analytical group has tripled their base case scenario for Lithium demand to soar to over 1 million tonnes of Lithium Carbonate Equivalent (LCE) to be produced annually by 2026. Solar Storage research also shows sky rocketing demand for Lithium in the United Kingdom.



UK cumulative battery storage capacity end-2022 is forecast at almost 50X the levels installed at end-2017. Image: Solar Media Market Research.

Projected demand for Lithium (LCE) to the year 2026 in all sectors (May 18, 2017)



A Lithium (battery mineral) exploration company

Dr. Allen Alper: That sounds excellent. I appreciate you giving our readers/investors more insight on the market and also on brines and hard rock lithium.

Dr. Catherine Hickson: There is a third type, clay deposits. These deposits are getting more and more attention as they are being discovered in the USA and Mexico. There're significant deposits, even Clayton Valley has clay deposits. The clay deposits fall into two groups. One is an actual clay mineral, called Hectorite. In order to extract lithium from Hectorite, you have to use an acid dissolution process. So it has not been proven to be economic. The other are clay sized minerals, and that's what they're finding in Clayton Valley and other places in Nevada. But, no one has proven whether or not you can economically extract the lithium and purify it from the clay sized material. So you have those two potential sources of lithium, but unproven in terms of economic viability.

Dr. Allen Alper: Wow. That's very interesting. Brian, could you tell us a little bit about your share structure?

Mr. Brian Findlay There are approximately 150 million shares issued, all common trading shares. The shares are held by well over 4,000 shareholders, to the best of our knowledge. I would like to think at least 50% or more are held by people that are very supportive of the company. The company's shares have been around for many years. So there's massive distribution.

# Dajin Stock Information

		<u>Trading Symbols</u>
• Shares issued & outstanding:	152m	
• Market cap:	\$15M	DJI: TSX Venture Exchange
• Recent price \$0.10/share		DJIFF: OTCQB Markets
• Warrants:	4.9m	C2U1: Germany
• \$0.17 – expire Nov. 2018		
• Incentive Stock Options:	6.9m	
• \$0.10 – \$0.16/share		
• Insider ownership:	14m	

## LSC Lithium Corporation Transaction

Cash payment received: \$1.0M  
Property expenditure commitment: \$2.0M



*A Lithium (battery mineral) exploration company*

Dr. Allen Alper: Could the two of you summarize why our high-net-worth readers/investors should consider investing in Dajin Resources?

Mr. Brian Findlay Well, the fact that we're in both the United States and in Argentina, I think, is something an investor should look at. We have a large, large, large landholding in Argentina. Our joint venture partner, LSC Lithium, is committed to spending \$2 million to prove up a substantial resource in the company. Argentina, by reputation, wants to be one of the leading lithium producers in the world. Today lithium is valued around \$16,000 a ton. In China, it's just a little under \$20,000 a ton. So there's a huge value in investing in a project that has good potential for production of lithium carbonate.

We chose to expand into the United States because it's more of a stable country than Argentina. We feel a little more comfortable there. We have 100% control of our project in Nevada. We completed drill pads and roads to access the drilling targets identified through exploration. We're going to be drilling these either later this year or early next year. I would be comfortable investing because we're in two different countries and we have good potential in both projects.

# Dajin Advantages

- **People:** Management with a strong track record and experience in Lithium brine exploration as well as being involved in major discoveries in other commodities with experience taking exploration discoveries to production.
- **Stocks and Public relations:** Committed to getting our message out to the investment community.
- **Properties:** High quality Lithium exploration targets of significant size.
- **Locations:** Advantageously located within Nevada's Lithium Hub and South America's Lithium Triangle.
- **Brines:** Resource is brine based; mined at lower cost than hard rock deposits.



- **Water Rights:** Teels Marsh project - water rights have been granted.
- **Large footprint** on playa surfaces.



A Lithium (battery mineral) exploration company

Dr. Catherine Hickson: I think that sounds right.

Dr. Allen Alper: Okay. Well, that sounds great. Very compelling reasons to consider investing in your company. Is there anything else, Brian or Cathie, that you would like to add?

Dr. Catherine Hickson: I can tell you about our plans in Teels and Alkali in Nevada. At Teels as we have already mentioned we've just finished the roads and pads in preparation for drilling. Given the technical background that Mark and I have and other members of our technical board, we've chosen a different drilling approach. Other companies are using small diameter coring rigs. In most cases they don't have water rights. And as a result, they're running into a lot of difficulties in terms of completion of their holes to their planned depth, and with lack of water rights it's difficult to actually flow test the wells. With small diameter wells, you can't in fact, from a physics perspective, do an adequate flow test.

# Teels Marsh valley, Nevada

- 7,914 acres (3,202 hectares); 403 placer claims, 100% owned.
- 50 mi (80 km) NW of Albemarle's Silver Peak Lithium brine mine in Clayton Valley.
- Water rights granted and drill permitted, good access and infrastructure.
- Lithium potential confirmed.  
Surface auger, 74 sample locations tested, ~1,000 feet (300 meter) intervals,  
Highest Lithium sediment assay = 460 ppm, 28 were >150 ppm, 23 > 100 ppm;  
Highest brine analysis of 79 mg/l at 9 feet (3 meters).
- Gravity, magnetic and seismic surveys completed: fault-bound deep basin – over 8,200 feet (2,500 meters) deep.  
Large catchment basin (313 mi<sup>2</sup> /811 km<sup>2</sup>) retaining lithium rich volcanic ash deposits.  
Basin structure defined, reports completed January & November 2016.
- GeoProbe survey.  
Nine sites sampled, depth of 195 feet. (59 meters). Three 25 feet (7.5 meters) core samples which returned significant Boron and Lithium values.
- Drill ready and Bureau of Land Management (BLM) permit granted.  
Well targeting completed and civil work commencing.  
Four wells planned; depths from 500 feet (150 m) to more than 2,000 feet (600 m).



A Lithium (battery mineral) exploration company

The Nevada government has recently brought in a change in regulations that allows for small volume flow testing. But we're going to do large diameter, deep wells, which will allow us to reach TD, we hope without too much difficulty. And we have water rights, so we will be able to flow these wells. Because not only is the concentration of lithium that you have important, but also the volume of material that you will be able to extract from the aquifer. So being able to test that, is the correct path to develop a successful project.

Dr. Allen Alper: That sounds excellent. Sounds like you're in a great position and you have great technology. It's so important that you have water rights. Excellent!

Dr. Catherine Hickson: Yes. In Nevada, water rights are king.

Dr. Allen Alper: Absolutely.

Mr. Brian Findlay: Without water rights, you don't go anywhere.

Dr. Allen Alper: Right. That's extremely important.

<http://dajin.ca/>

Brian Findlay  
President & CEO  
604-609-6151  
[info@dajin.ca](mailto:info@dajin.ca)