

The image features a landscape of a vast, flat, light blue salt flat or dry lake bed in the foreground, reflecting the sky and distant mountains. The mountains are a range of blue-toned peaks under a clear, light blue sky. The Southern Lithium logo is centered at the top, with 'SOUTHERN' in a dark grey, sans-serif font and 'LITHIUM' in a larger, blue, sans-serif font.

# SOUTHERN LITHIUM

## INVESTOR PRESENTATION WINTER 2017

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# Why Southern Lithium Corp

- ✓ Experienced Management
- ✓ Strategic Assets
- ✓ Timing

# Business Strategy



1. Assemble highly skilled management and technical team
2. Secure technically superior assets
  - With focus on high-grade lithium assets located in favorable jurisdictions
3. Explore and develop properties in a systematic, cost-effective, environmentally and socially responsible manner.

# Financial Details

Southern Lithium is dual listed in both Canada and Germany:

**TSX-V: SNL**

**FRA:SL5**

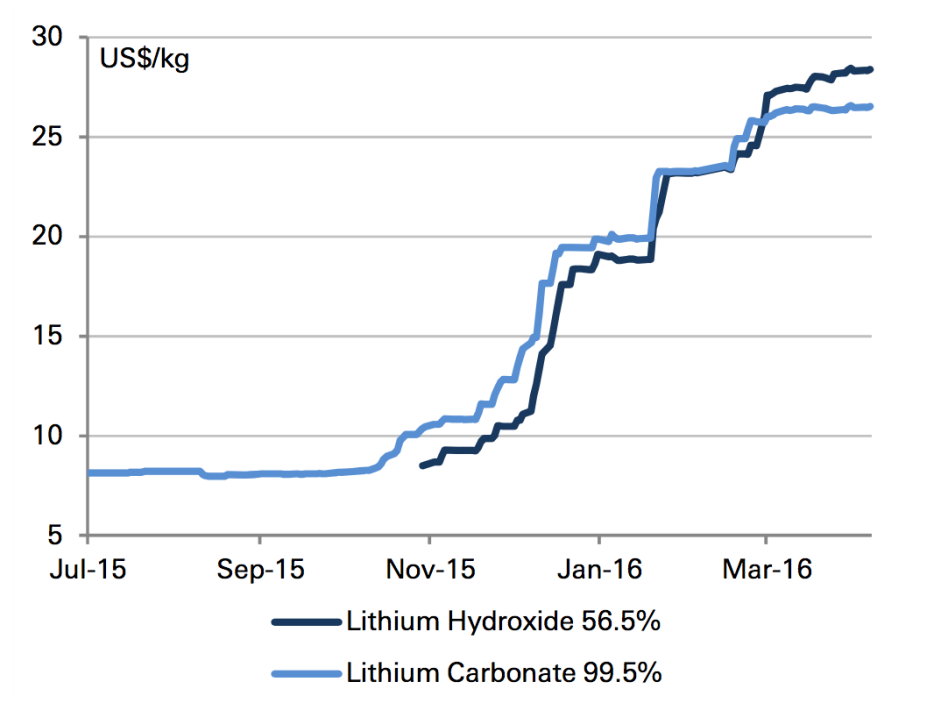
Issue and Outstanding	
Shares outstanding	32,622,000
Warrants outstanding	3,322,000
Options outstanding	1,700,000
Fully Diluted	37,644,000
52 Week low-hi	\$0.005 – \$0.49



# Strategic Shift to Lithium

## Lithium: A Demand Driven Sustainable Growth Story

- Chinese lithium spot prices (world's largest market) increased from approximately US\$7,000/ton in September 2015 to over US\$19,500/ton currently.
- This increase in price is primarily due to increasing demand for lithium ion batteries.
- This demand is expected to continue to grow based on the increasing popularity and refinement of electric vehicles.

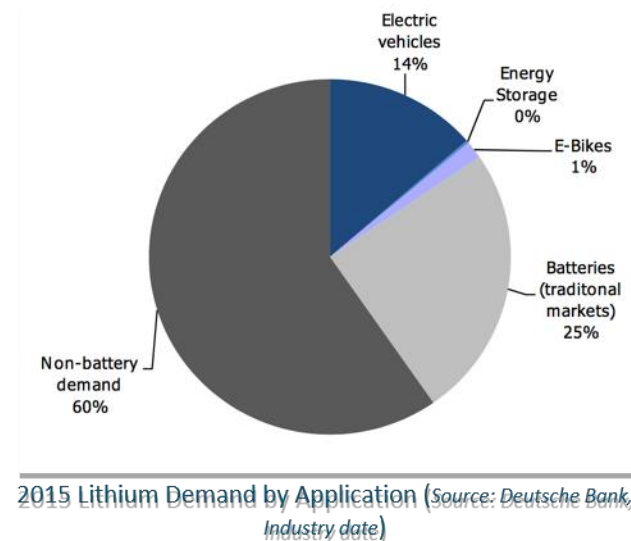


Chinese domestic battery-grade lithium prices (2015-present)

Hocking M, Kan J, Young P, Terry C. 2016. Welcome to the Lithium-ion Age. *Deutsche Bank Market Research*, May 9, pp. 1-177.

# Lithium 101

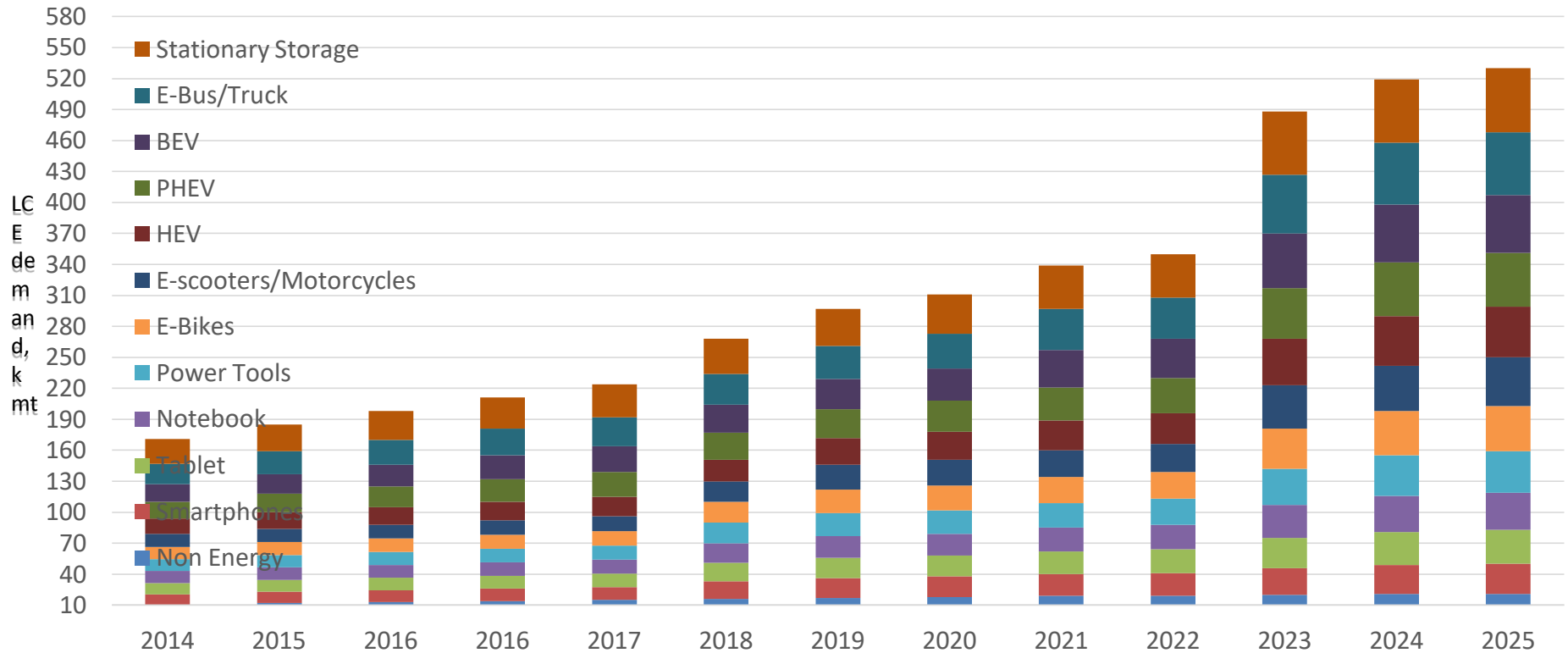
- A great number of products require lithium in the manufacturing process, they include.
  - Industrial applications (Lithium Grease)
  - Electrical storage (Lithium Batteries)
  - Medical applications (Organic Compounds & Medication)
- Increase in demand is mainly due to lithium's unparalleled energy density, which in addition to being lightweight renders lithium an integral component of batteries.



Hocking M, Kan J, Yeung P, Terry C. 2016. Welcome to the Lithium-ion Age. *Deutsche Bank Market Research*, May 9, pp. 1-177.

# Lithium Demand

Lithium demand is expected to more than triple from — 170kmt in 2015 to — 530kmt in 2025, led by demand for lithium ion batteries



Source: Goldman Sachs Global Investment Research, April 2016.

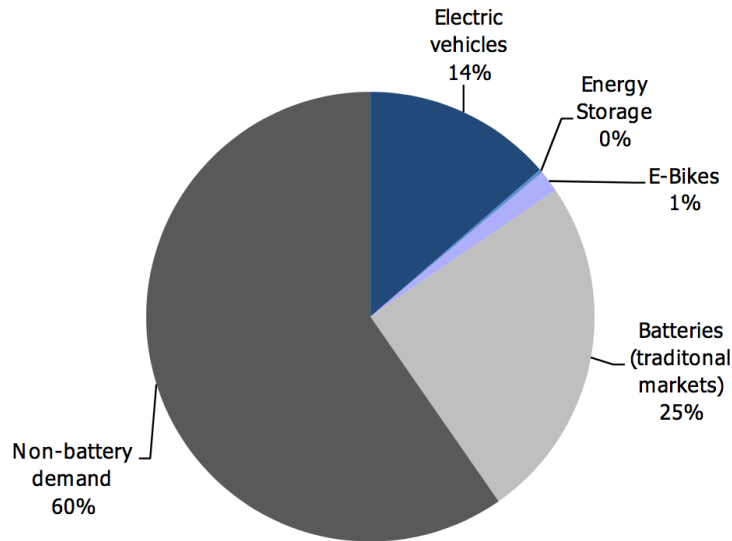


# Increasing Demand

## Lithium Demand, a Changing Landscape

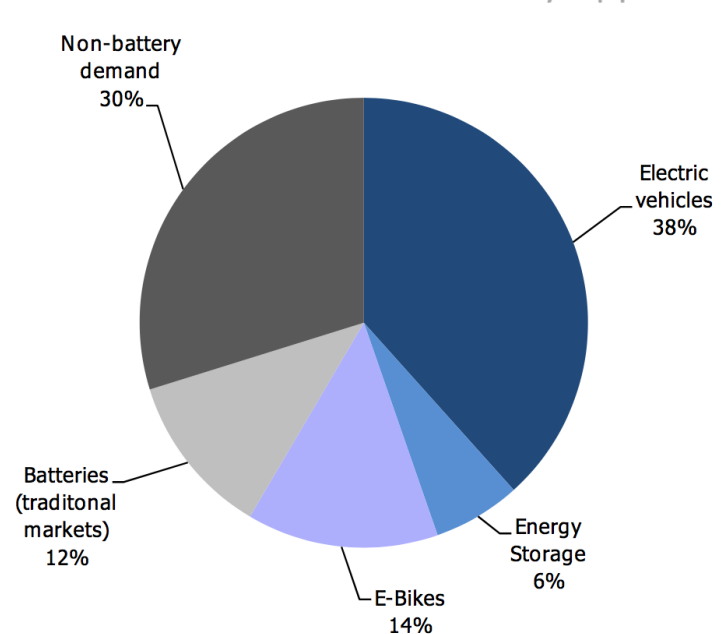
- It is estimated that by 2025, lithium ion batteries will account for 45% of lithium demand.
- This demand is expected to continue to grow along with the booming electric vehicle market.

2015 Lithium Demand by Applications



Source: Deutsche Bank; Industry data

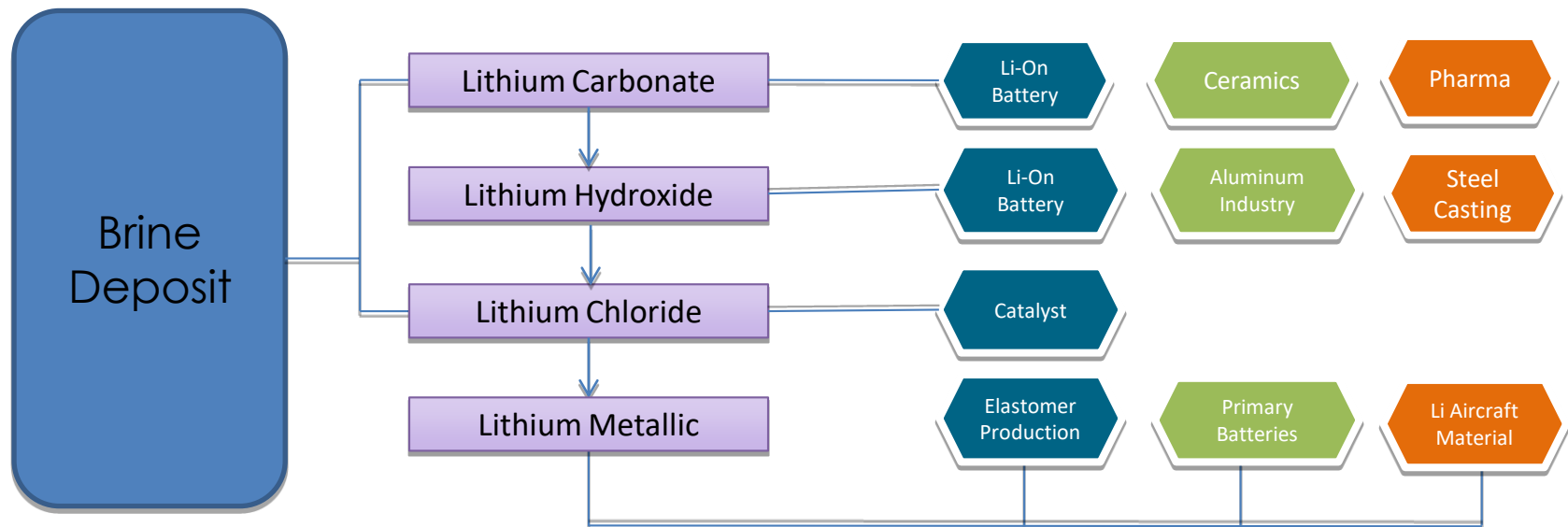
2025 Lithium Demand by Applications



Hecking M, Kan J, Yeung P, Terry C. 2016. Welcome to the Lithium-ion Age. *Deutsche Bank Market Research*, May 9, pp. 1-177.

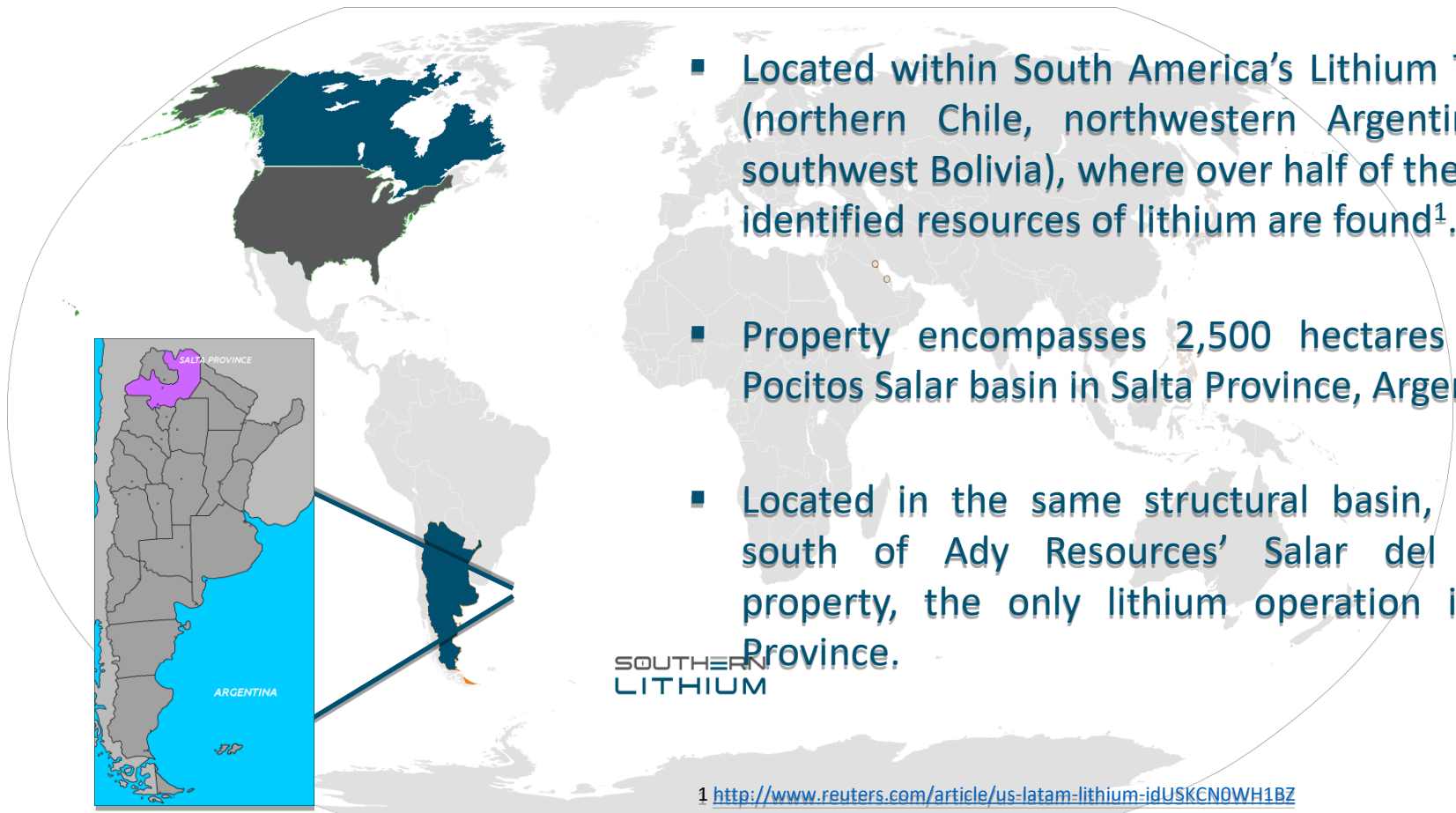
# Sustainable: Lithium Applications

## Lithium Products from Brine Deposit



# Lithium Project – Salta, Argentina

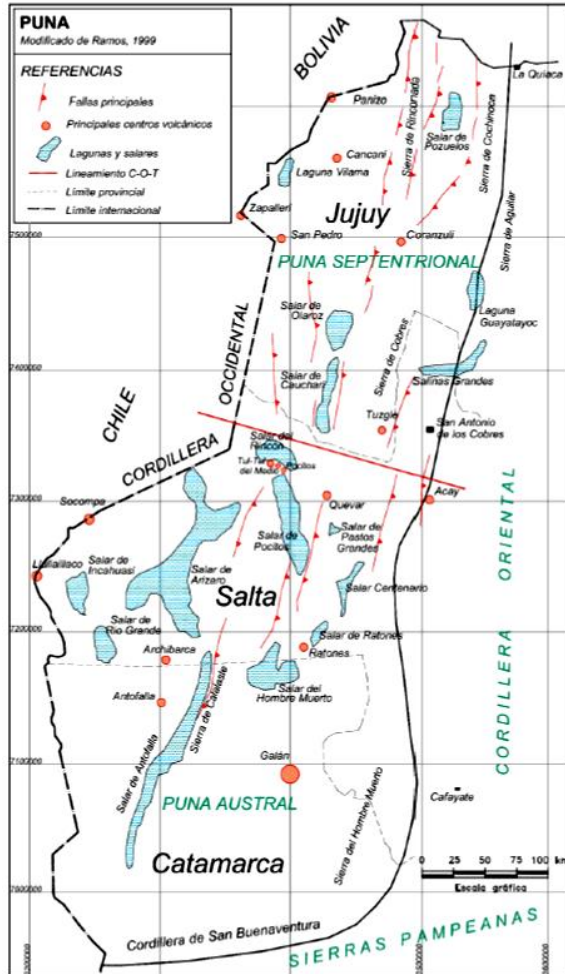
## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA



- Located within South America’s Lithium Triangle (northern Chile, northwestern Argentina and southwest Bolivia), where over half of the earth's identified resources of lithium are found<sup>1</sup>.
- Property encompasses 2,500 hectares in the Pocitos Salar basin in Salta Province, Argentina.
- Located in the same structural basin, 11 kms south of Ady Resources’ Salar del Rincón property, the only lithium operation in Salta Province.

<sup>1</sup> <http://www.reuters.com/article/us-latam-lithium-idUSKCN0WH1BZ>

# Lithium Project – Salta, Argentina



## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA

- Both ADY Resources Limited (Enirgi Group Corporation) and Southern Lithium's properties lie along the northerly-trending structural belt that hosts the important lithium resources of the region, and adjacent to the major crossing lineament that is thought to have given rise to the hydrothermal activity that supplied lithium to both closed salar basins.

# Lithium Projects – Salta, Argentina

## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA



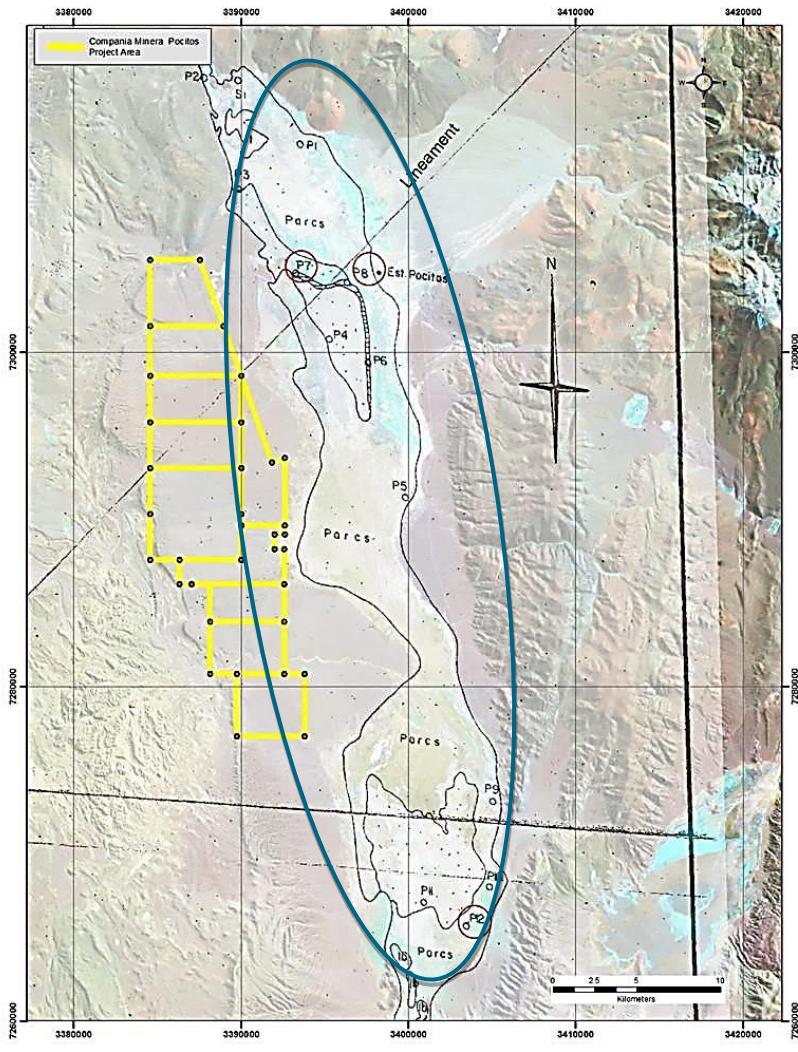
- The property is located along the major fault and volcano chain that defines the southern limit of the Rincón Basin, where ADY Resources Limited is in pilot production.

# Lithium Project – Salta, Argentina

- Economics of the Definitive Feasibility Study announced by the Enirgi Group for its ADY Resources Limited Salar Del Rincon Lithium Project:

Mineral Reserve and Resource Estimates	
Probable Reserves	1.2 million tonnes Lithium Carbonate Equivalent ("LCE")
Measured and Indicated Resources	3.5 million tonnes LCE
Inferred Resources	4.8 million tonnes LCE
Capital Expenditure	
Initial net capital expenditure	\$720.1 million (including 8.62% contingency)
Project Economics	
Ungeared After-tax 9% NPV	\$1.36 billion
Ungeared After-tax IRR	30.80%
Payback period	4.13 years from start of commercial production
Mine Production	
Life of Mine	24.5 years
Average annual production	50,000 tonnes LCE per annum
Total cash operating cost	\$2,070 per tonne LCE for life of mine

# Lithium Project – Salta, Argentina



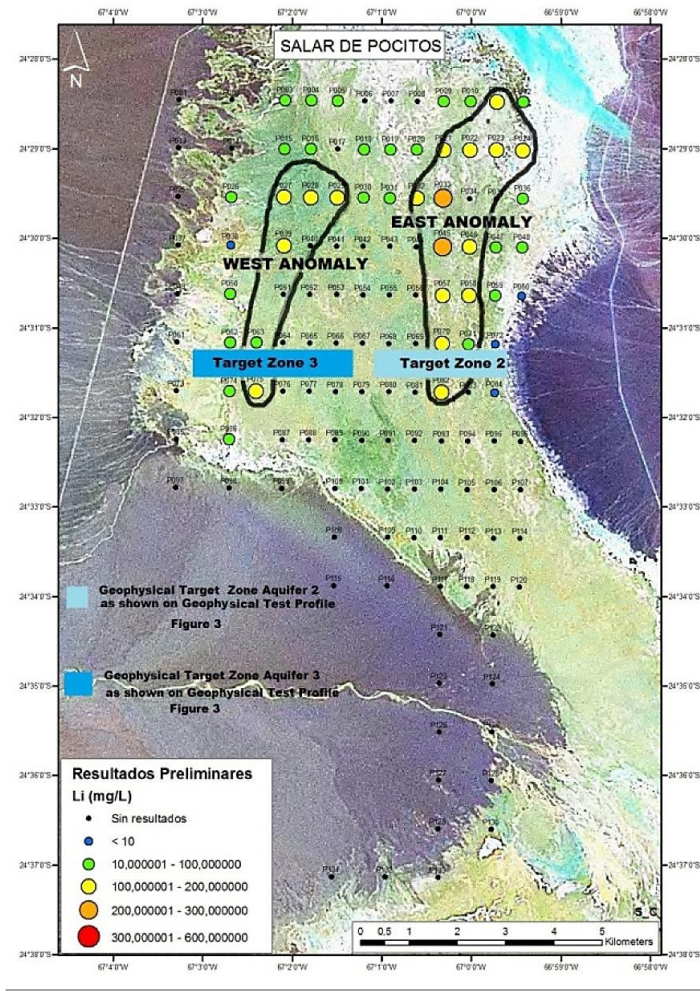
## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA

- The 60-kilometer long Pocitos Salar basin has previously been drill tested with a shallow 12-hole program in 1979, by an Argentinean government agency called “Dirección General de Fabricaciones Militares”.
- To date, this is the only confirmed exploration drilling conducted in the area.
- The hole that produced the best results, Hole P8 is only one kilometer southeast of the Cruz property boundary, and averaged 417 parts per million; please note that these results are considered historical and cannot be relied upon under NI 43-101 standards.

# Lithium Project – Salta, Argentina

## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA

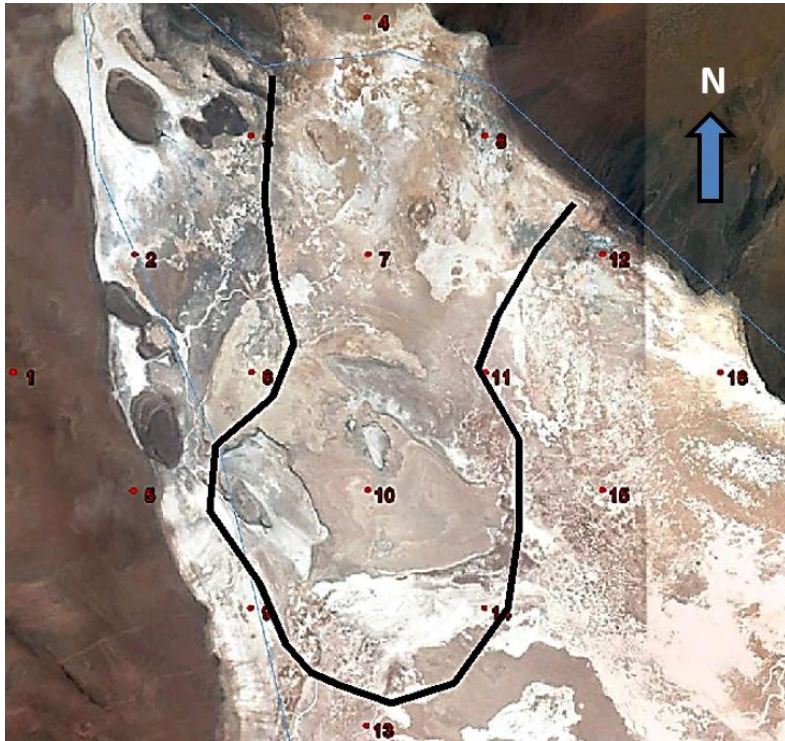
- In 2010, Li3 Energy held concessions in the Pocitos Salar, about 3 kms south of the Cruz property.
- A near surface brine sampling program outlined two anomalies.
- The East Anomaly produced brine assays ranging from 100 to 300 ppm, with a Mg : Li ratio of 3.
- The volcanic center at the north end of the Cruz property is thought to be the source of the lithium-bearing fluids in these anomalies.
- The conduits for these fluids appear to have been the N-NE faults bounding the Pocitos Salar Basin.





# Lithium Project – Salta, Argentina

## RESULTS OF TEM GEOPHYSICAL SURVEY

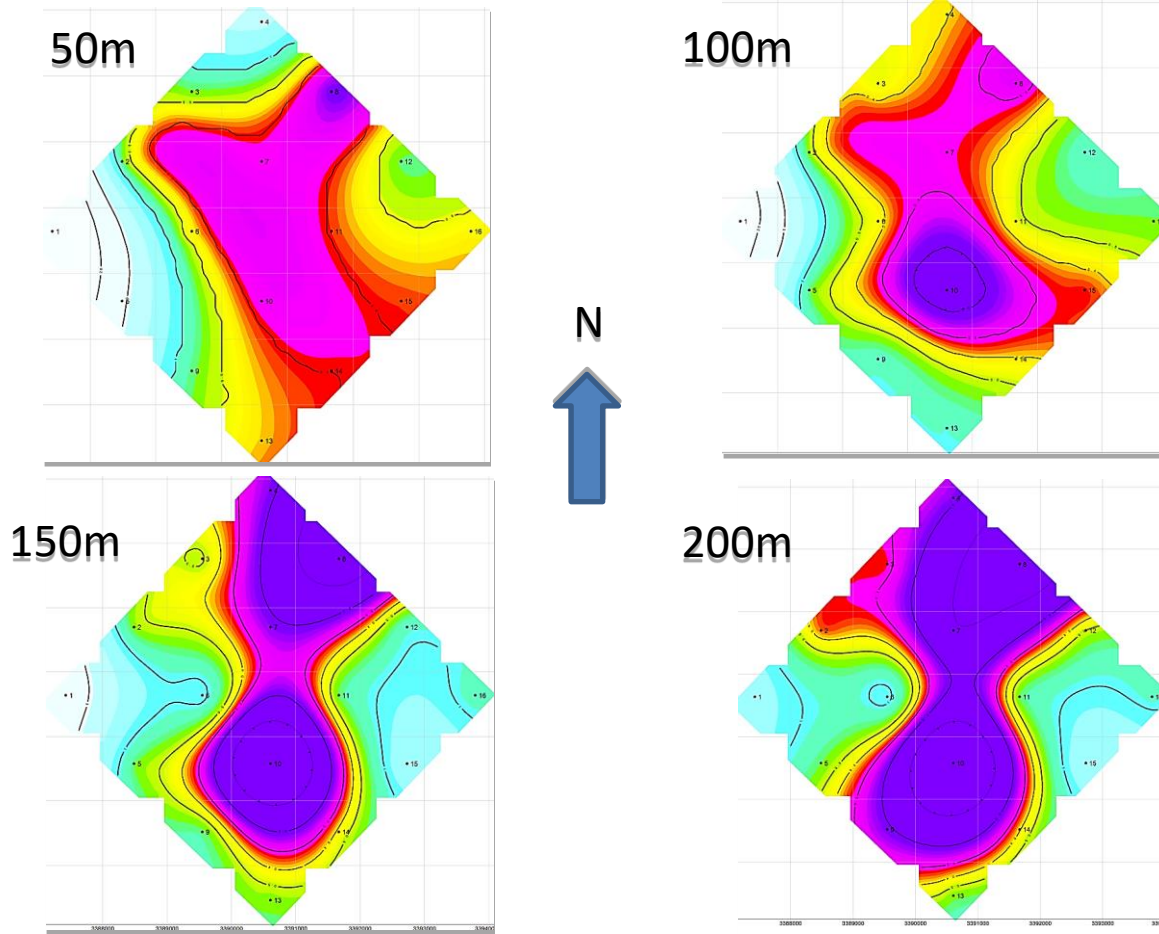


Satellite image of Salar de Pocitos basin resistivity anomaly, showing the possible development area of the brine.

- February 2017 Transient Electromagnetic (“TEM”) ground geophysical survey completed and located bodies of subsurface brine.
- The survey results indicate a highly conductive, uniform zone (black outline at left) interpreted to be a shallow body of brine with a length of over 6 kms and a depth of greater than 250 meters from surface.
- Such highly conductive readings have been found to indicate a high content of lithium brine in other salar basins in the area.
- The Phase I drilling program will consist of two HQ core holes drilled to at least 350 meters at two separate locations to establish brine chemistry and other key features at discrete vertical intervals.

# Lithium Project – Salta, Argentina

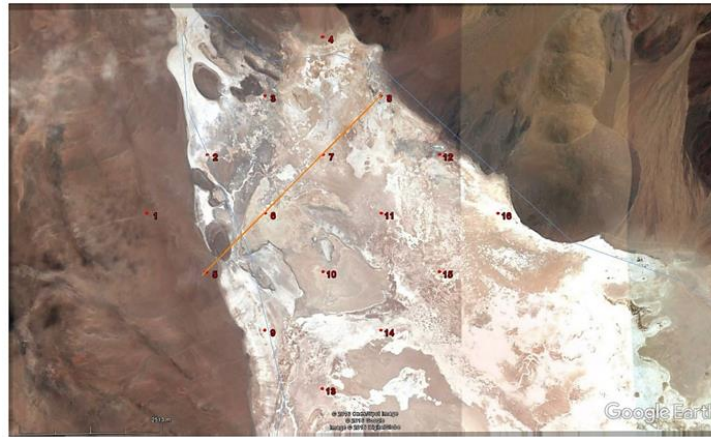
## PLAN VIEWS OF RESISTIVITIES AT DIFFERENT DEPTHS FROM SURFACE



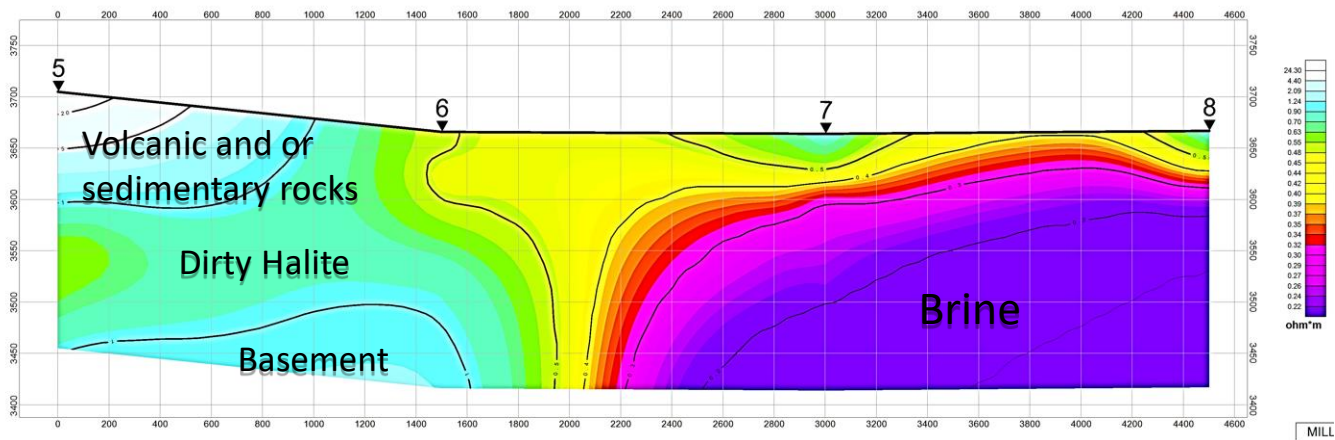
- The level plans show a very uniform distribution of the conductivity anomaly.
- The anomaly interpreted to be a body of brine has an orientation that suggests a strong North-South structural control.

# Lithium Project – Salta, Argentina

## TEM RESISTIVITY SECTION ORIENTED SW-NE

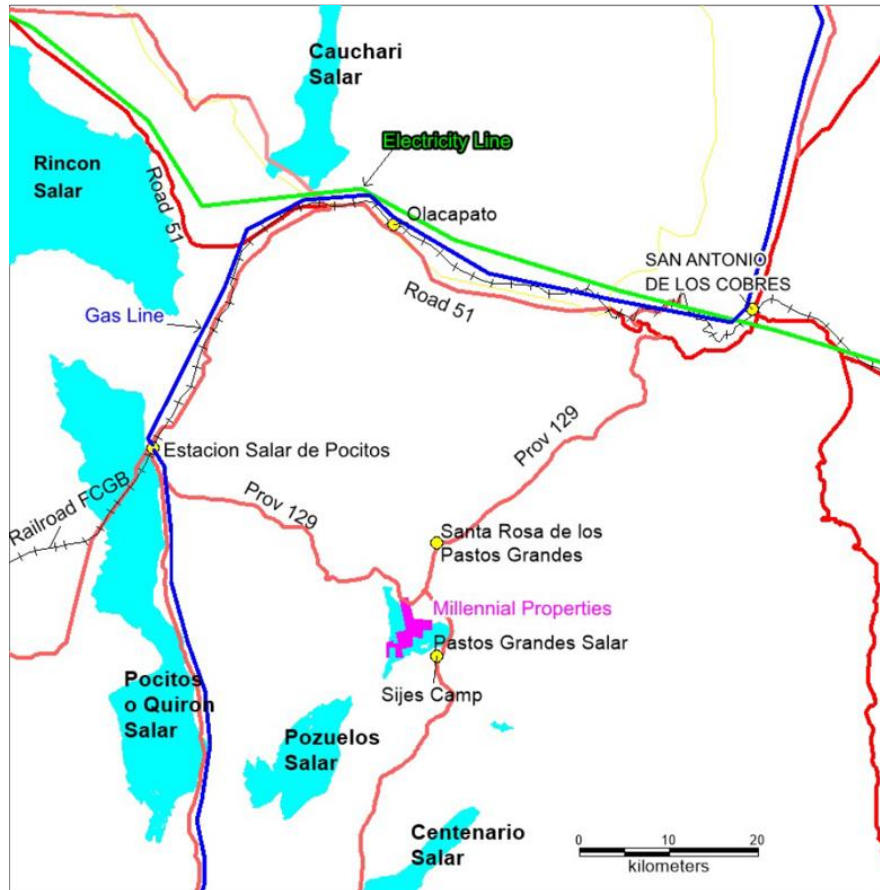


Profile 5-6-7-8



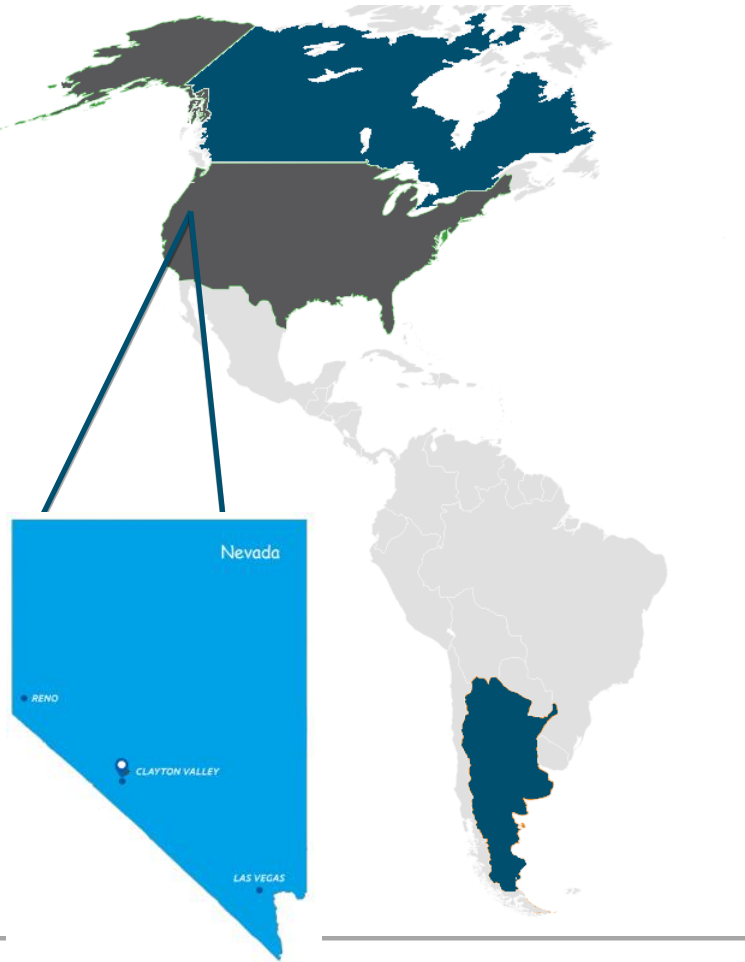
# Lithium Project – Salta, Argentina

## CRUZ PROPERTY – SALTA PROVINCE, ARGENTINA



- Provincial road and railroad bisect property.
- Local area roads connect to Provincial highway system that connects the basin to the deep water Port of Antofagasta located just across the border in Chile.
- Railroad station and town nearby.

# Nevada Lithium Property



## EAST FAULT – CLAYTON VALLEY

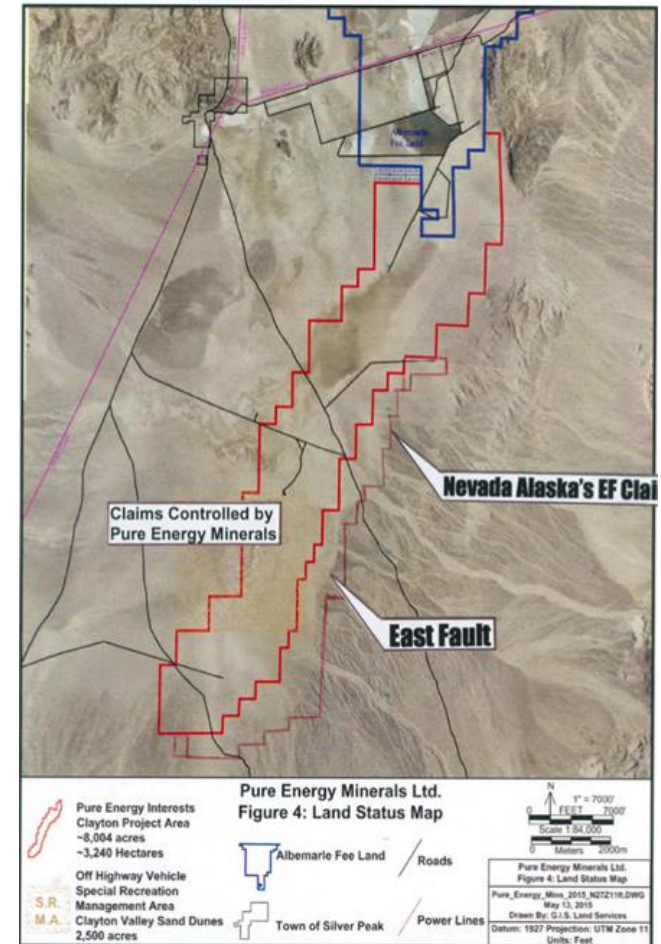
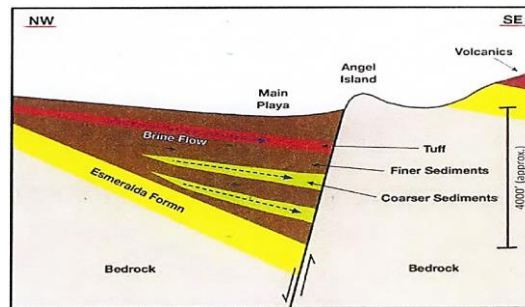
- USGS refers to Clayton Valley (Esmeralda County, Nevada, U.S.) as the best-known lithium deposit in the world<sup>1</sup>, with the only producing lithium mine in North America (Albemarle)
- The region is rich in lithium brine with a recent lithium discovery by Pure Energy Minerals.
- Strategic Position:
  - Tesla: Clayton Valley is about 3.5 hour drive from Tesla's new Gigafactory
  - Infrastructure: well maintained state highways and a thriving industry
  - Mining culture dating back to 1860s

<sup>1</sup> U.S.G.S. Open-File Report 2013–1006

# East Fault Property

## EAST FAULT – CLAYTON VALLEY

- The 2,100 acre East Fault project lies to the south of Albermarle's lithium producing lithium mine and immediately to the east of Pure Energy's Clayton Valley claims.
- The property is strategically positioned along 11 kilometers of the East Fault, which appears to be the main bounding fault that forms the southeast edge of the Clayton Valley basin, forming a half-graben in the southeast margin of the basin.
- This basin acts like a large tilted bathtub, potentially concentrating lithium close to the basin-bounding East Fault.



# Scotch Creek, B.C., Canada

## Scotch Creek Project – a legacy project

- Located 66 km northeast of Kamloops, BC, and west of Shuswap Lake within the Kamloops Mining Division.
- Kamloops has historically been an important mining center within British Columbia.
- Currently the Kamloops area hosts numerous producing mines, as well as a number of proposed mines. The deposits include copper, gold, and silver.
- In 2012 an IP/resistivity survey was carried out and a 43-101 Technical Report was filed.
- The survey concluded that copper and lead sulphide mineralization of economic interest is probably present. It is also expected that zinc mineralization as well as silver values occur with the sulphides indicated by the IP survey.



# Private Placement Terms

- The \$1-million CDN Private placement will consist of issuing 4 million units at \$0.25 cents per unit.
- Each unit consists of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.35 cents per share for a period of 18 months following the close of the private placement.
- The Warrants will be subject to an conversation feature. In the event that the trading price of the Shares of the Company is at or above C\$0.50 per Share for 10 consecutive trading days at any time that is four months after the closing date of the Offering, the Company will have the right to accelerate the expiry date of the Warrants to the date which is 30 days after notice is provided to the Warrant holders.
- Finder's fees of 8% cash and 8% broker warrants may be payable on portions of the financing.



# Management & Board of Directors

## Clive Massey – CEO & Director

- Mr. Massey has held directorships and senior management positions with various TSX Venture Exchange listed companies, including CEO of Redhill Resources (now Millennial Lithium Corp.), Windfire Capital, Aldever Resources, Prescient Mining and Universal Uranium.
- He has also coordinated the marketing programs for several successful public companies including Lumina Copper, Pacific Rim Mining, Marifil Mines, Sumo Minerals, Greystar Resources and the North Air Group of Companies.
- He has a strong understanding of the equity markets and has been involved in both debt and equity financings of up to \$60 million and has also held directorships for various Toronto Stock Exchange Venture listed companies.

## David Alexander, CPA, CA – Chief Financial Officer

- Mr. Alexander's past achievements include his role as the CFO of Arakis Energy Corporation, an international oil and gas development company, where he managed the company's growth from startup to over a billion dollars in assets, leading to a listing on the NASDAQ market. Arakis was subsequently sold to Talisman Energy.
- David was also CFO of Laminco Resources Ltd. (name changed to Zaruma Resources Ltd.), a Vancouver based copper/gold exploration company with properties located near Hermosillo, Mexico. While CFO of Laminco, Mr. Alexander assisted in the raising of over \$20 million.

# Management & Board of Directors

## Larry Segerstrom, MSC, MBA – President & Director

- Mr. Segerstrom is a senior mining professional with over 35 years of technical, operational and business experience, including exploration, mine geology and operations.
- He has spent substantial time in Latin American countries making him an ideal candidate to bridge cultures between North American companies and projects abroad.

### Professional Highlights:

- COO at Paramount Gold and Silver Corp., where he led the discovery and development of more than 750,000 ounces of gold and 60 million ounces of silver and secured \$50 million in equity financing
- Built Layne Christensen from a small pilot drilling operation into Mexico's largest mineral exploration drilling Company, and Layne Christensen's most profitable branch in its long history
- More recently at Almadex he is assisting with leading the team that is making significant gold-copper discoveries in Veracruz, Mexico.

# Management & Board of Directors

## John P. Ryan, B.S., Mining Engineering, J.D., Juris Doctor – Director

- Mr. John Ryan has over 21 years' experience with development-stage companies as a qualified mining engineer with extensive international mining experience particularly in the Coeur d'Alene District including work at the Consolidated Silver Mine and the Galena Mine.
- Mr. Ryan has been a senior executive and director of a number of public companies in the USA, Canada, the UK, and Australia.
- In 2004 he co-founded High Plains Uranium, which successfully acquired uranium assets in Wyoming and Texas and is now part of Uranium One Corporation.
- Mr. Ryan spent four years as a Lieutenant on sea duty in the United States Navy. Mr. Ryan holds a B.S., Mining Engineering from the University of Idaho and J.D., Juris Doctor in Corporate Civil Litigation from Boston College Law School.

## Jim McCrea – Director

- Mr. McCrea has more than 22 years experience in exploration and mining geology, and 15 years experience in mineral resource calculating. His experience was gained through working for junior mining/exploration companies and engineering companies such as SRK and Snowden.
- His geological expertise includes technical reviews, due diligence, resource calculations and feasibility studies. Having performed ore body modelling and resource estimating for Cumberland Resources Ltd. taken over by Agnico-Eagle Mines Ltd. and more recently he has completed mineral resource calculations and worked on feasibility studies for companies such as Silver Standard Resources, Norsemont Mining and Candente Resource.

# Management & Board of Directors

Sam Eskandari, MBB – Vice President of Corporate Development & Director

- Mr. Eskandari is a graduate of Simon Fraser University (SFU) with a degree in Molecular Biology and Biochemistry, where his research efforts led to a major publication in the area of Riboswitches.
- Mr. Eskandari brings significant experience in management, corporate development, and finance. Mr. Eskandari's previous experience includes Veritas Pharma Inc. (CSE: VRT), where as a consultant he was instrumental in the company's corporate development, marketing, and financing activities.

# Contact

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