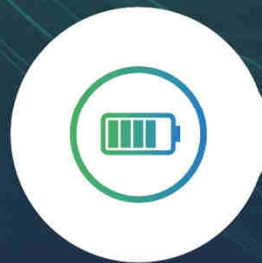


Deutsche-Lithium

Das Zinnwald-Lithium-Projekt:
Lithiumverbindungen aus Deutschland



BACANORA
lithium

DERA Industrieworkshop 27.Juni 2017, Berlin

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Forward-looking information in this presentation includes, but is not limited to, the estimated future value of the Sonora Lithium Project. Disclosure pertaining to such projects is derived from resource estimates and a Preliminary Feasibility Study (“PFS”) prepared in accordance National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and applicable Canadian securities laws and regulatory policies. Please refer to Bacanora’s corporate profile on SEDAR at www.sedar.com. Readers are encouraged to review such reports in their entirety. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability. The NI 43-101 report in respect of the Sonora Lithium Project includes estimates for both indicated resources and inferred resources. Inferred mineral resources are those that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as mineral reserves. In order to complete the aforementioned NI 43-101 report and PFS, the Qualified Persons in respect of such reports have used forward looking information including, but not limited to, assumptions concerning lithium commodity prices, cash flow forecasts, project capital and operating costs, commodity recoveries, mine life and production rates. Readers are cautioned that actual results, should they be realised, may vary from those presented in the PFS and the NI 43-101 report. Further testing will need to be undertaken in order to confirm the economic feasibility of the Sonora Lithium Project. There have been no prior pre-feasibility or feasibility studies undertaken for the Sonora Lithium Project other than as disclosed in the Company’s news release dated 3 March 2016 and updated via news release dated 7 July.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: commodity price volatility; general economic conditions in Canada, the United States, Mexico and globally; industry conditions, governmental regulation, including environmental regulation; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

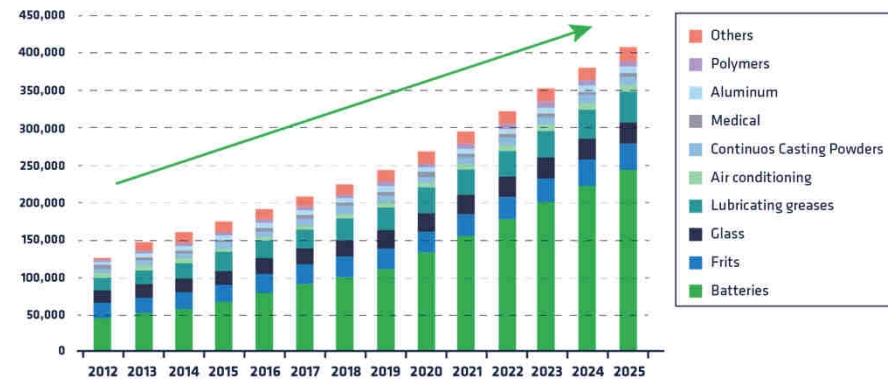
LITHIUM SUPPLY & PRICING

2017 pricing from China indicates >\$11,000/t*

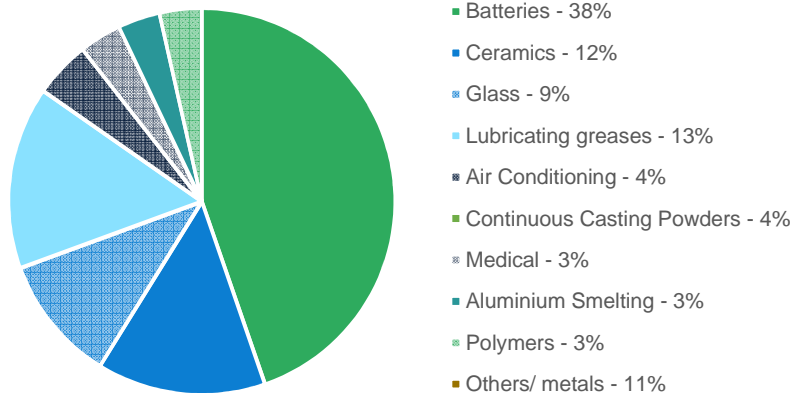
Spot Lithium Carbonate Prices – US\$/ metric tonne*



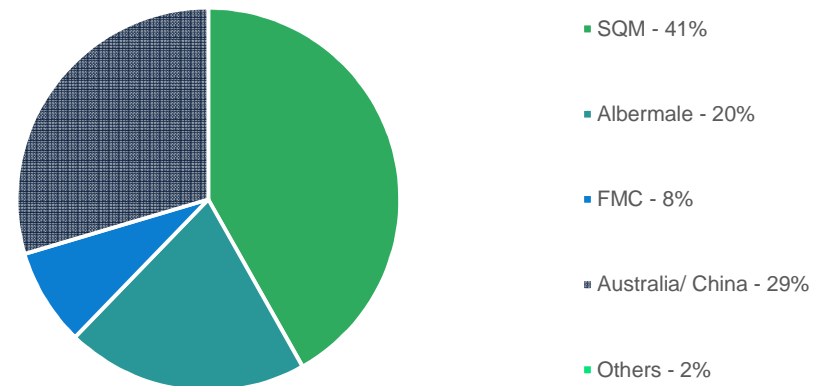
Growth Across all Applications to 2025**



Lithium Demand by Application*



Lithium Carbonate Production Capacity 2015*



(* Orocobre, September 2016) (** SignumBOX estimates, March 2017)

ELECTRIC VEHICLES TO GRID STORAGE

Lithium Consumption Estimated at 410,000 tpa* by 2025



CELL PHONE
3g



LAPTOP
30g



Hybrid
7kg



EV
25-50kg



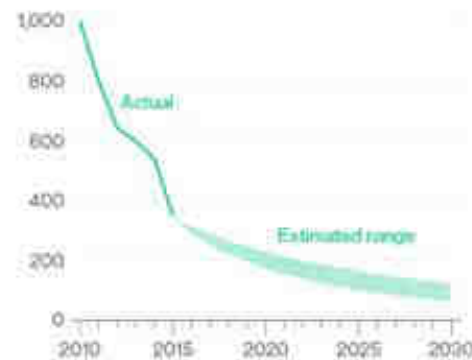
GRID
500kg/MWh

It's All About the Batteries

Batteries make up a third of the cost of an electric vehicle.
As battery costs continue to fall, demand for EVs will rise.

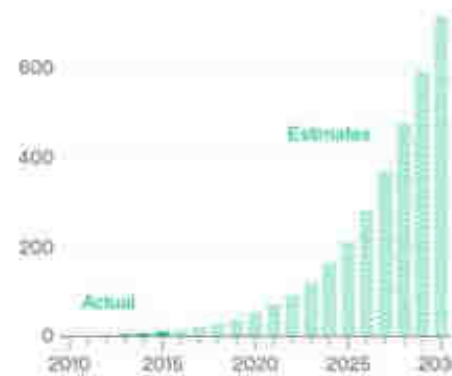
Cost for lithium-ion battery packs:

\$1,200 per kilowatt hour:



Yearly demand for EV battery power:

800 gigawatt hours:



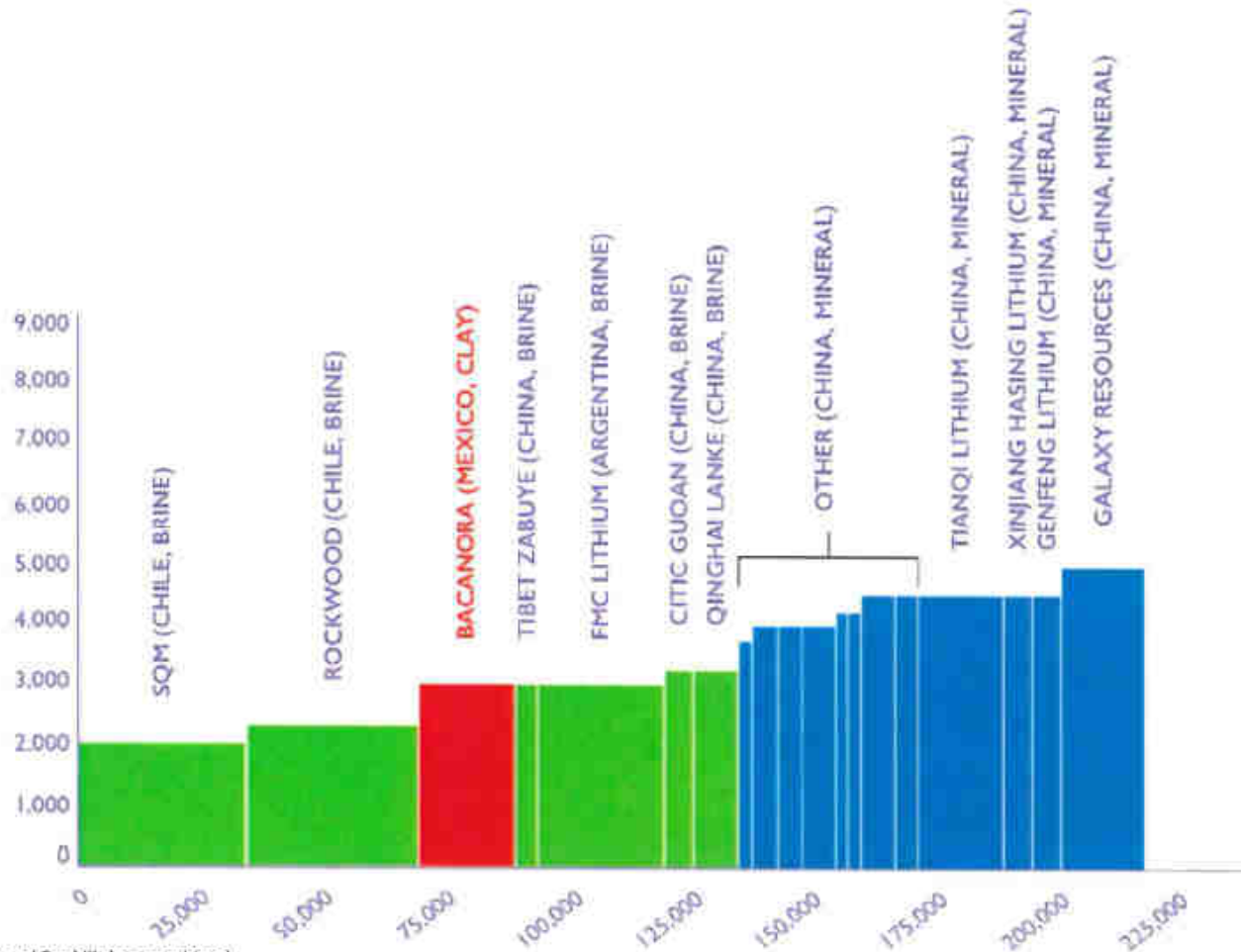
Source: Data compiled by Bloomberg New Energy Finance

Bloomberg

(*SignumBox)

PEER ANALYSIS

Bacanora's projected low operating costs positions is very favourably in comparison to its peers



Source: Bacanora and Roskill data combined

LITHIUM DEPOSIT IN GERMANY

Zinnwald/ Altenberg in Saxony



ZINNWALDIT MICA

- >> Zinnwaldite is a mixture of two minerals: Siderophyllite and Polyolithionite
- >> Layer silicate with the chemical formula $\text{KLiFeAl}(\text{AlSi}_3)\text{O}_{10}(\text{OH}, \text{F})_2$

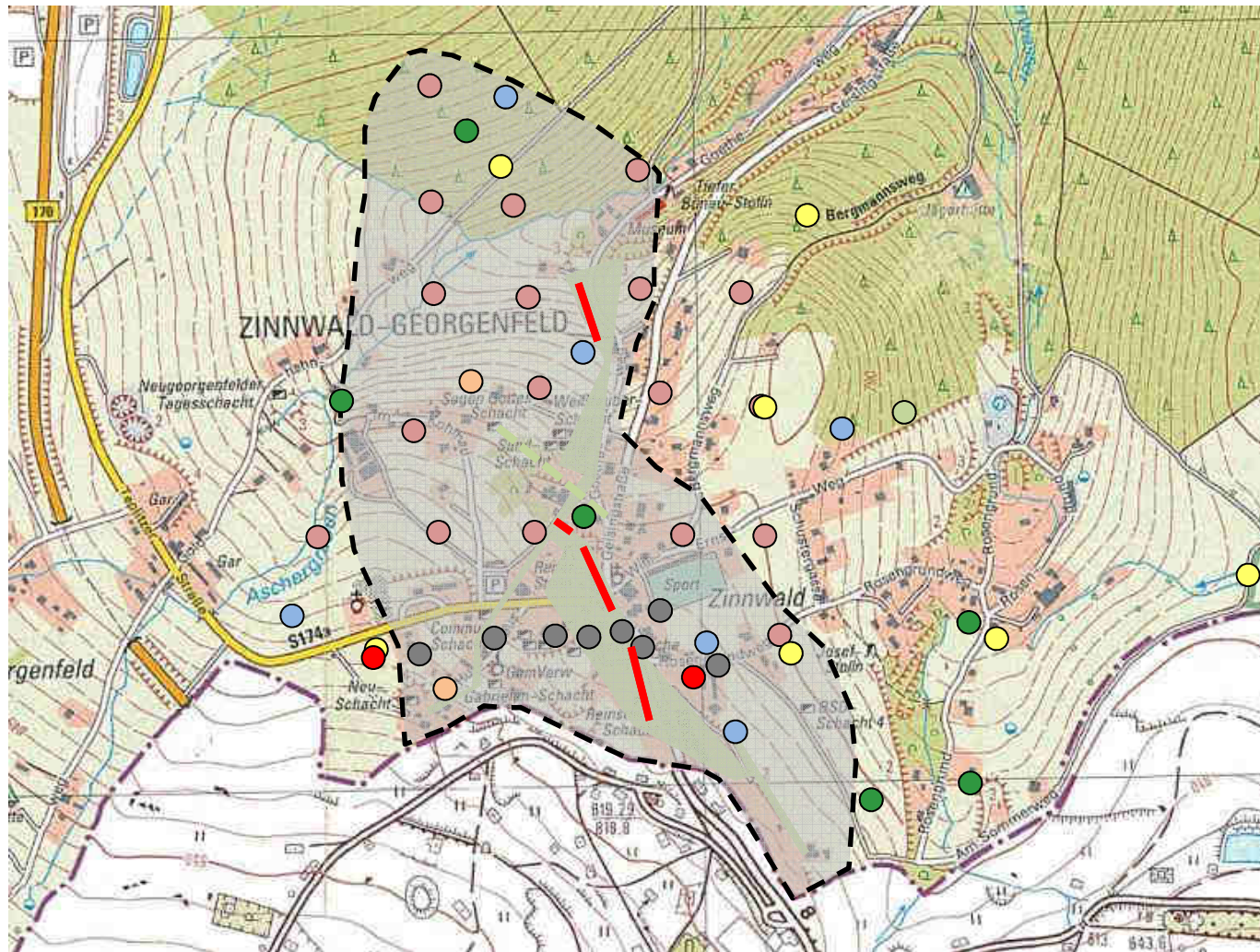


Chemical Composition (wt%)

Lithium	1.59 %
Potassium	8.94 %
Aluminium	12.35 %
Iron	12.78 %
Fluorine	6.52 %
Rubidium	0.95 %
Cesium	0.04 %
Manganese	0.9 %
Others (Si, O, H,...)	55.93 %

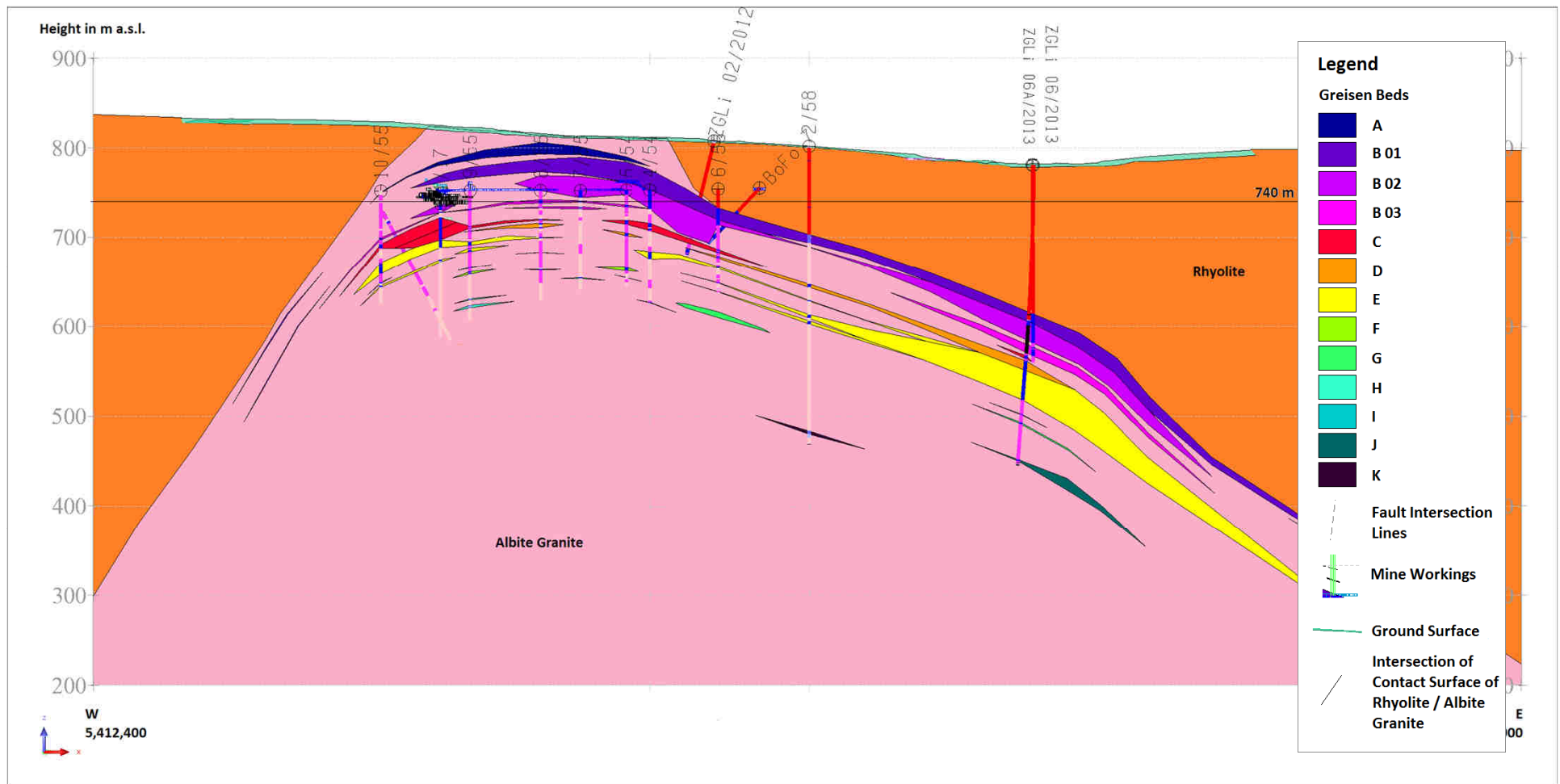
EXPLORATION DRILLING CAMPAIGNS

Zinnwald-Lithium Deposit



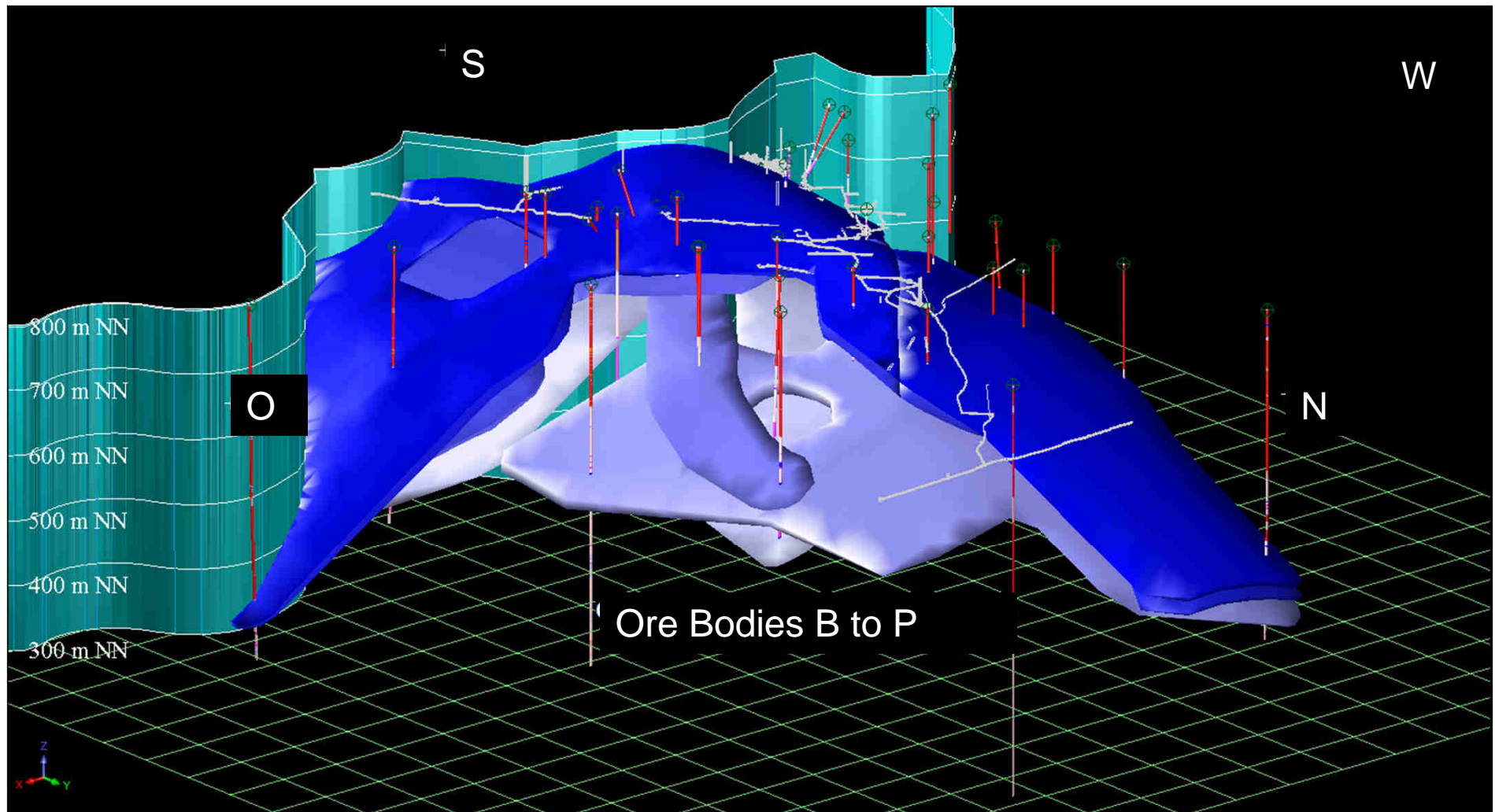
- 1917-1918
- 1936-1939
- 1954-1955
- 1958-1959
- 1977
- 1988
- 2012
- 2013/14
- 2011-2012 Probenahme
- 1978 Probenahme
- Lagerstätte 750 m NN

W-E CUT OF ZINNWALD DEPOSIT 09/2014



3 – D- MODEL OF ZINNWALD-DEPOSIT

Ore Bodies B- P



ZINNWALD LITHIUM PROJECT

Historic work and the geological context of the deposit demonstrates its potential for economic extraction

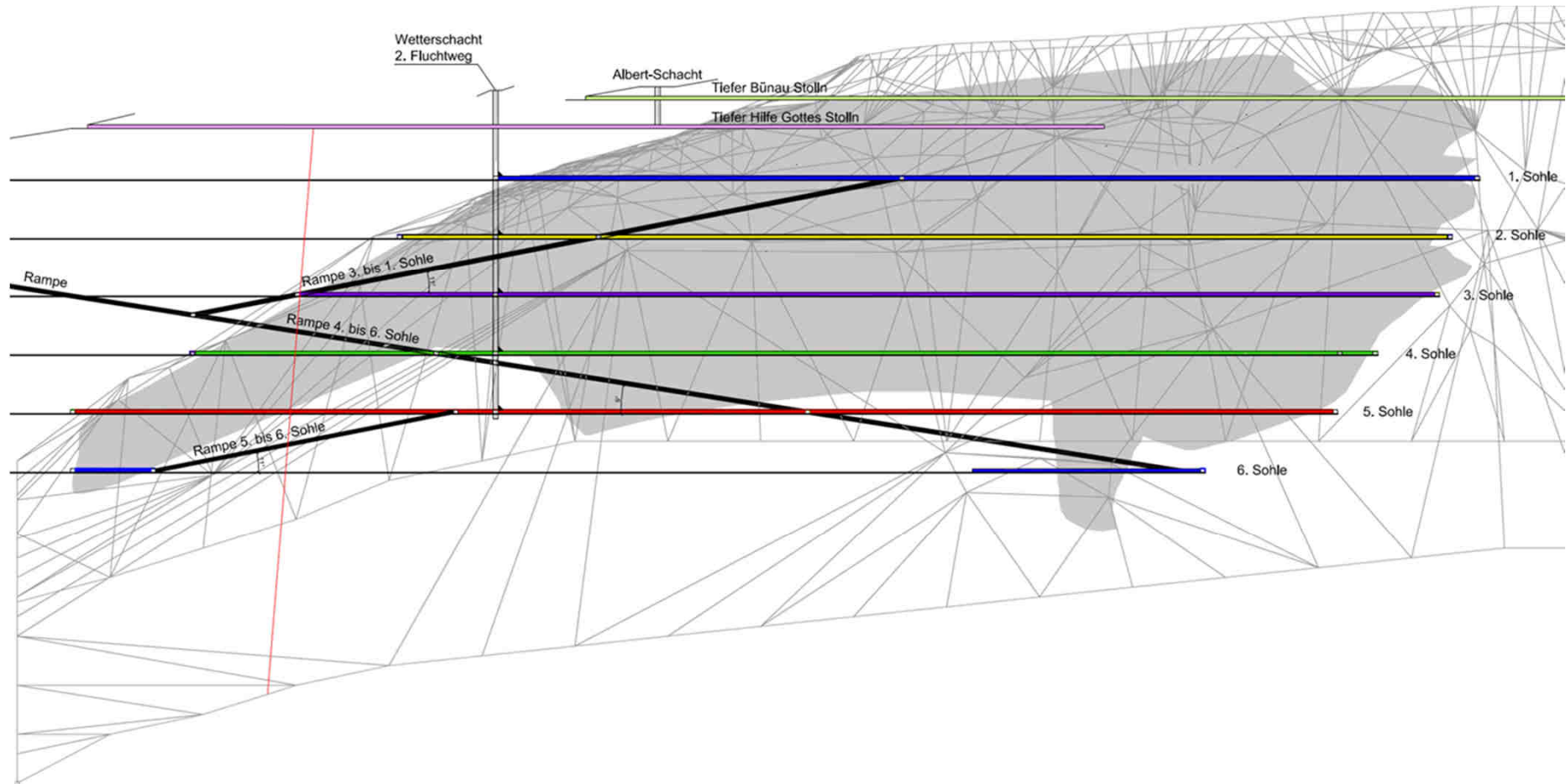
- Zinnwald has an Indicated and Inferred PERC resource of 36.4Mt at grade of 3,600ppm Li
- Additional drilling will make this resource NI-43-101 compliant
- Excellent infrastructure: road, rail, energy
- Close to German auto industry: VW EV Transparent Design Centre, BMW, Daimler

Resource Category	Tonnes* (000)	Li Grade (ppm)	Contained LCE** (Tonnes)
Measured	10,283	3,661	200,277
Indicated	16,287	3,594	311,408
Inferred	9,867	3,705	194,484



MINING SCENARIO

North – South Cut

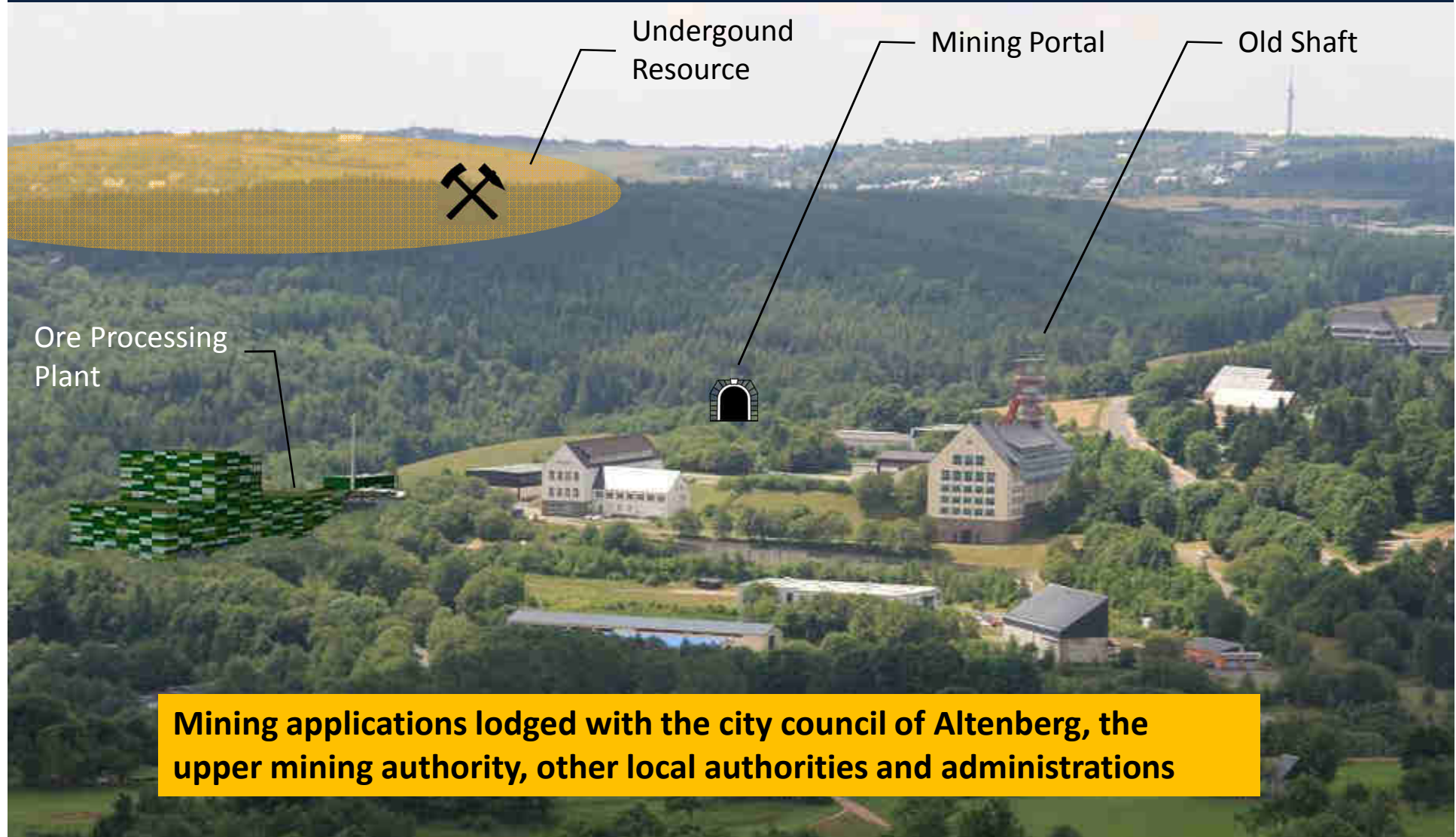


TIN MINE IN ALTENBERG 1991



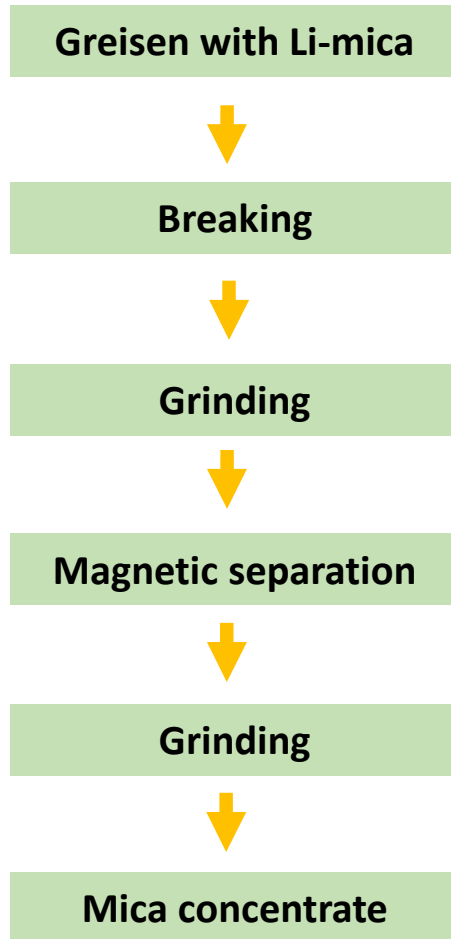
DEPOSIT, MINE GATE AND ORE PROCESSING PLANT

Zinnwald – Altenberg Area



ORE PROCESSING

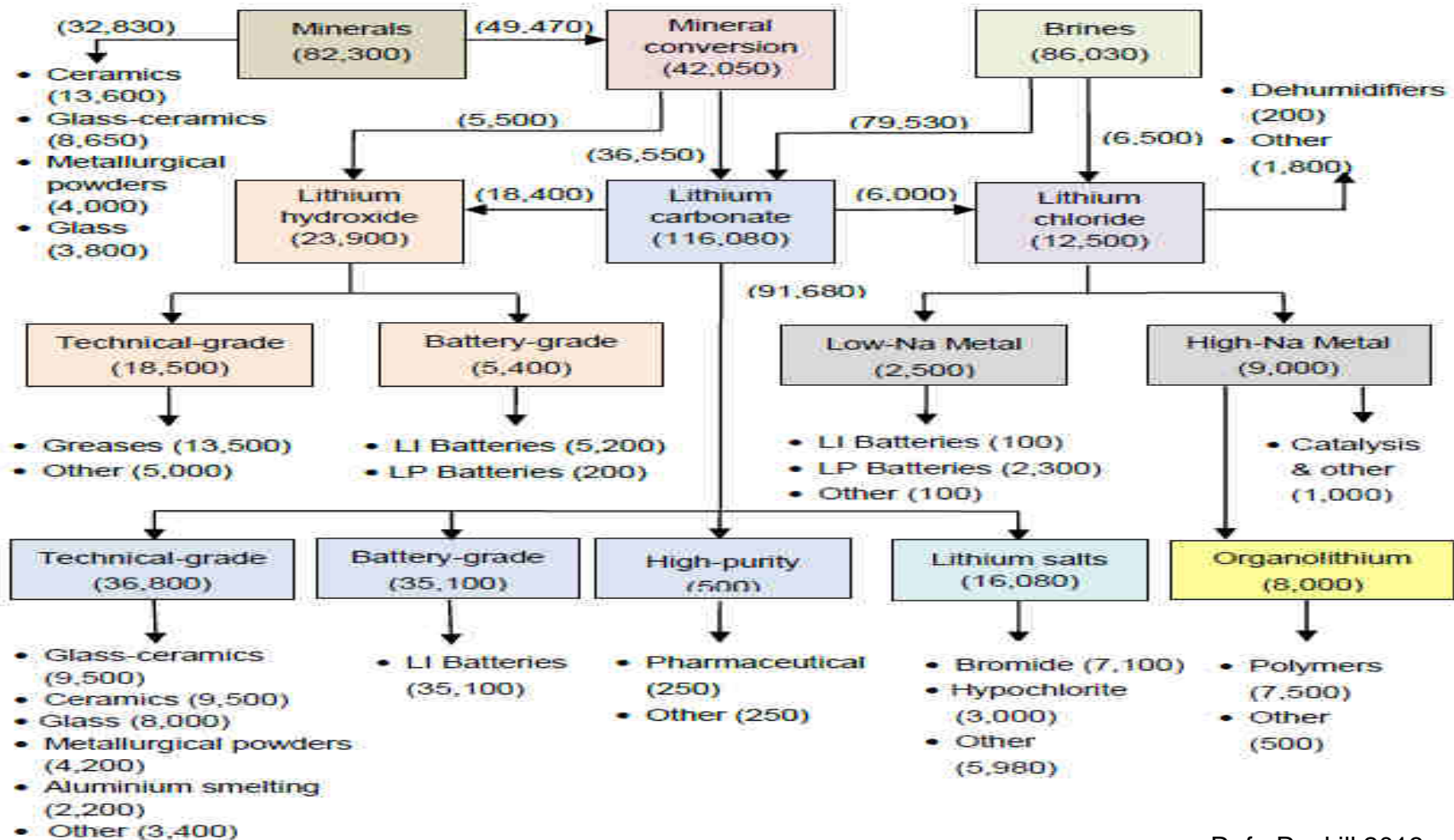
From ore to mica concentrate



→ Yield of Lithium above 90% @ 85% mica content

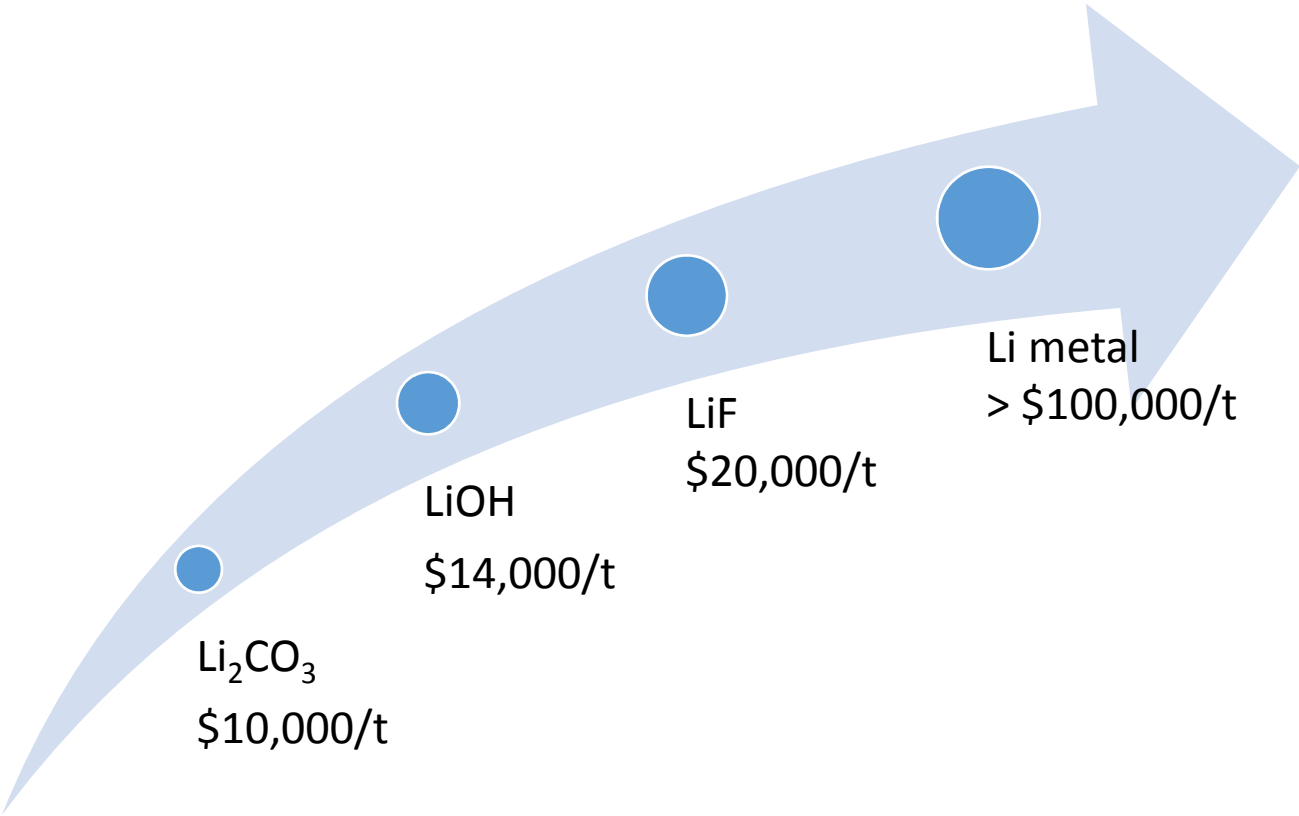
LITHIUM CHEMISTRY

Downstream activities of Bacanora and Deutsche Lithium



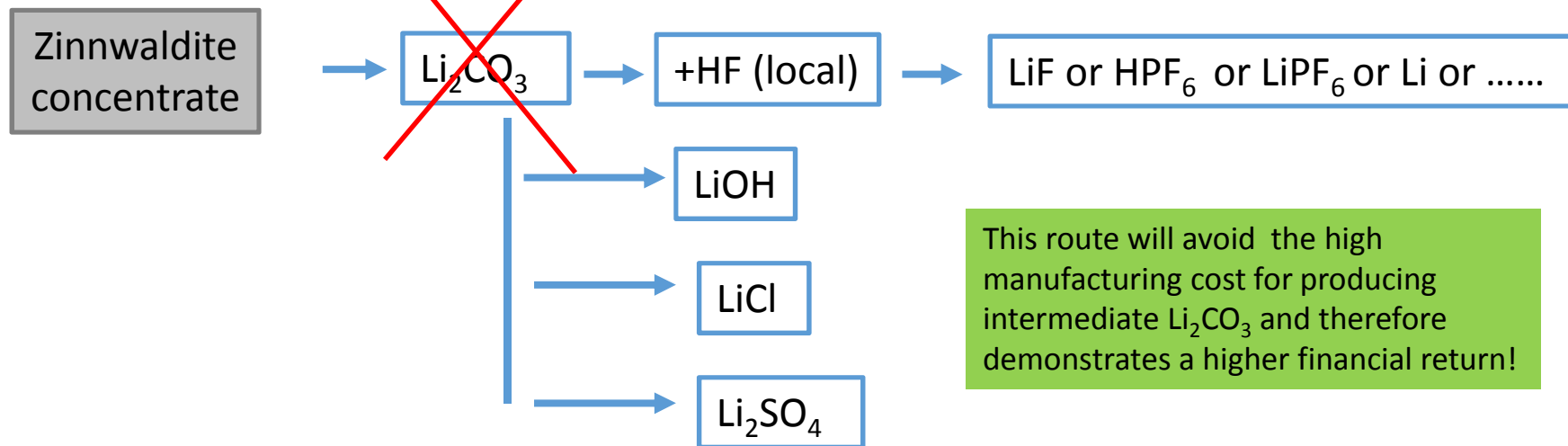
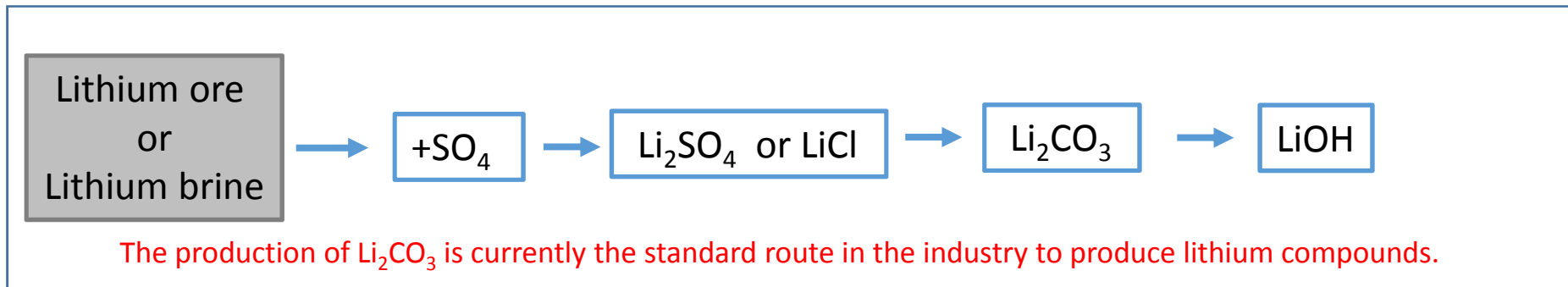
VALUE ADD STRATEGY

Focused on producing downstream, high value lithium products for the fast growing German automotive electrification strategy



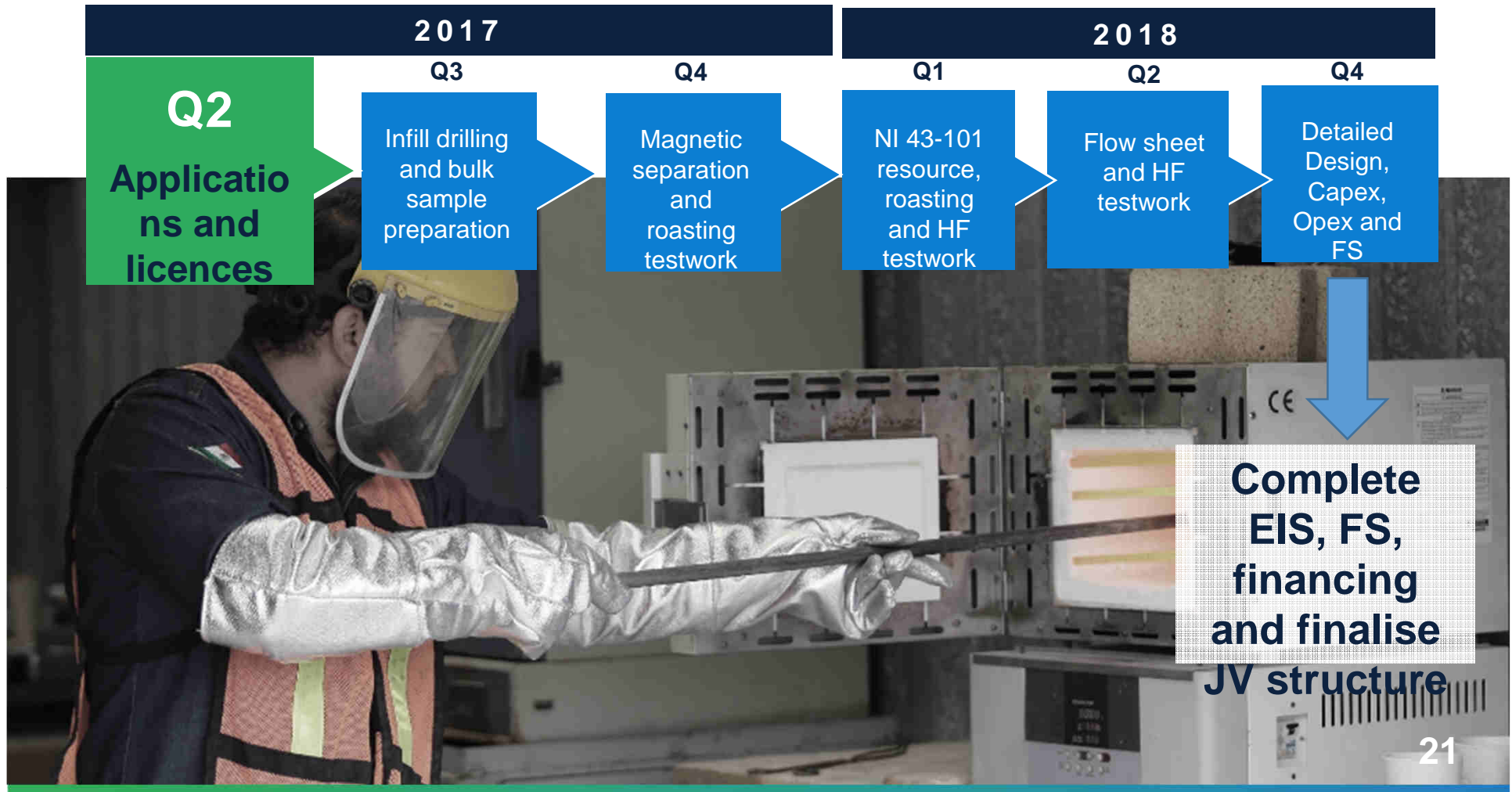
LITHIUM FLUORIDE ROUTE

By-pass intermediate stages to target higher value Li products directly



This route will avoid the high manufacturing cost for producing intermediate Li₂CO₃ and therefore demonstrates a higher financial return!

FEASIBILITY AND PRE-PRODUCTION MILESTONES



ZINNWALD LITHIUM PROJECT

Zinnwald represents a strategic asset for lithium products in Europe

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THANK YOU VERY MUCH FOR YOUR ATTENTION!

Zinnwald – Lithium – Project of

Deutsche-Lithium

