

DEMPSEY
MINERALS LTD



Hombre Muerto Lithium Project

Targeting production of Lithium Carbonate in the Lithium Triangle of South America

July 2018

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The Company has not fully completed feasibility studies on all its projects. Accordingly, there is no certainty that such projects will be economically successful. Resources that are not reserves do not have demonstrated economic viability.

Hombre Muerto Project

Dempsey Minerals Limited is a lithium exploration company with the rights to earn 100% interest in projects located in the world class Lithium Triangle region in Argentina

Projects located in the Hombre Muerto salt flat, adjacent to Galaxy Resources (mkt cap; A\$1.2bn) and FMC Lithium Corp. (mkt cap; ~A\$15bn). POSCO is a potential new entrant subject to part sale of GXY's Sal de Vida project

The Hombre Muerto Salar is the premiere lithium brine basin in Argentina - high grade, low impurities, (Li:Mg <4) FMC El Fenix operation has been in production for over 20 years

Key Candelas project covers over 4,000+ ha of potential brine reservoirs contiguous with Galaxy Resources' Sal de Vida lithium project (May 2018: GXY sell portion of Sal de Vida containing 2.54Mt of LCE to POSCO for US\$280M)

Targeting fast tracking to production of Lithium Carbonate



Capital Structure

Propose company name change to: **GALAN LITHIUM LIMITED**

| Securities | Dempsey Shares | Dempsey Options |
|----------------------------|----------------|---|
| Existing issued securities | 95,090,001 | 16,450,000* 3,500,000** 25,000,000*** |
| Current Cash | ~\$1.8 million | |

* Quoted options exercisable at \$0.14, Dec 2018

** Options exercisable at \$0.15, Nov 2019

*** Options exercisable at \$0.14, Dec 2019 (3m issued – 22m pending shareholder approval)

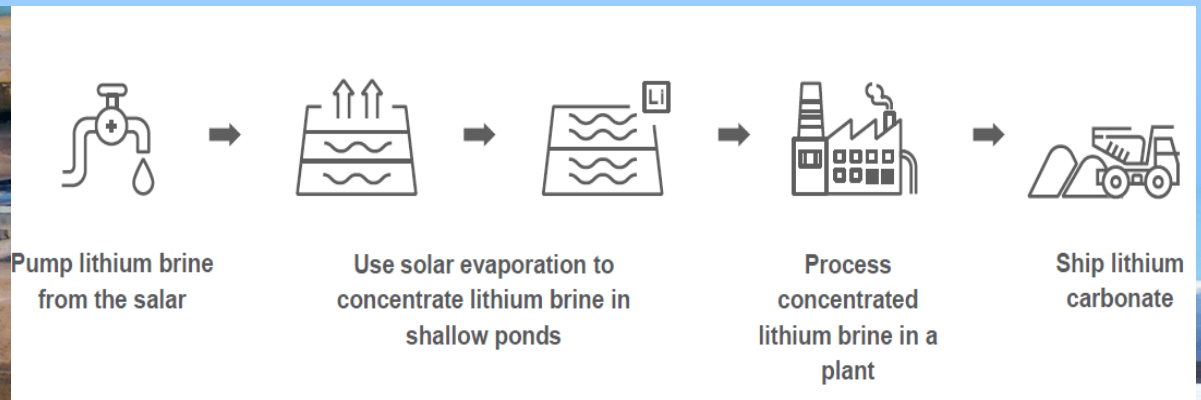
^^ MD performance shares to be advised

| Performance Shares ^^ | DMI Shares |
|--|------------|
| <u>Vendor Class A Shares</u> upon delineating a JORC compliant resource of at least 80,000t contained LCE | 15,000,000 |
| <u>Vendor Class B Shares</u> upon the commencement of commercial production from a pilot plant | 10,000,000 |

Lithium Brines

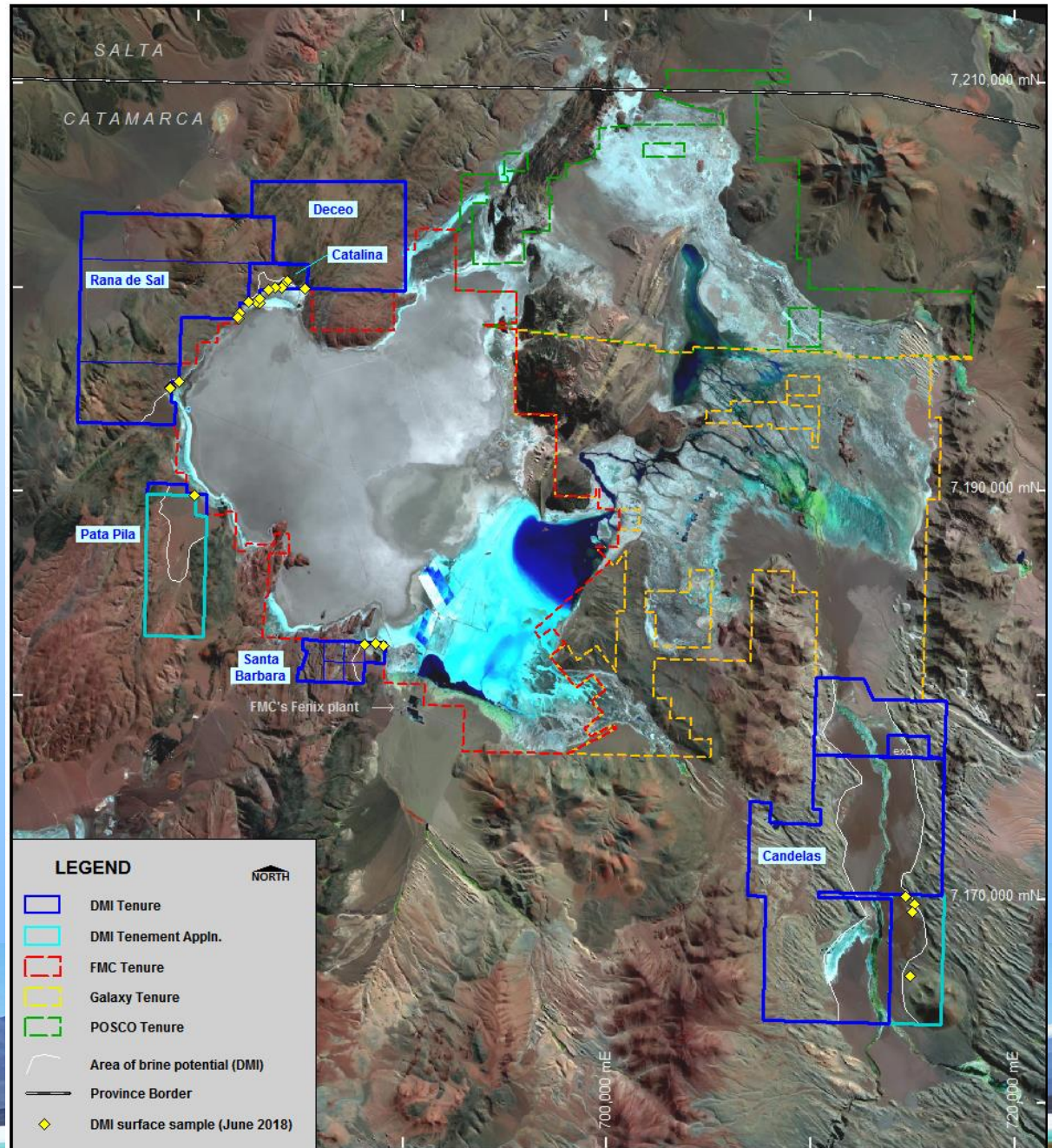
An Overview

- The largest reserves of lithium worldwide are found in the “Lithium Triangle” between Argentina, Bolivia and Chile
- The geology is comparable to petroleum exploration rather than conventional mining as it targets aquifers rather than a static resource
- Aquifer porosity plays a significant part of resource estimation, with higher porosity allowing for higher extraction rates. Brine impurities play an important part of the production cost to produce lithium carbonate
- Typically, Capex and Opex for lithium brine operations are lower than conventional hard rock mining
- Lithium brine operations are relatively simple with only a small number of steps required to produce Lithium Carbonate



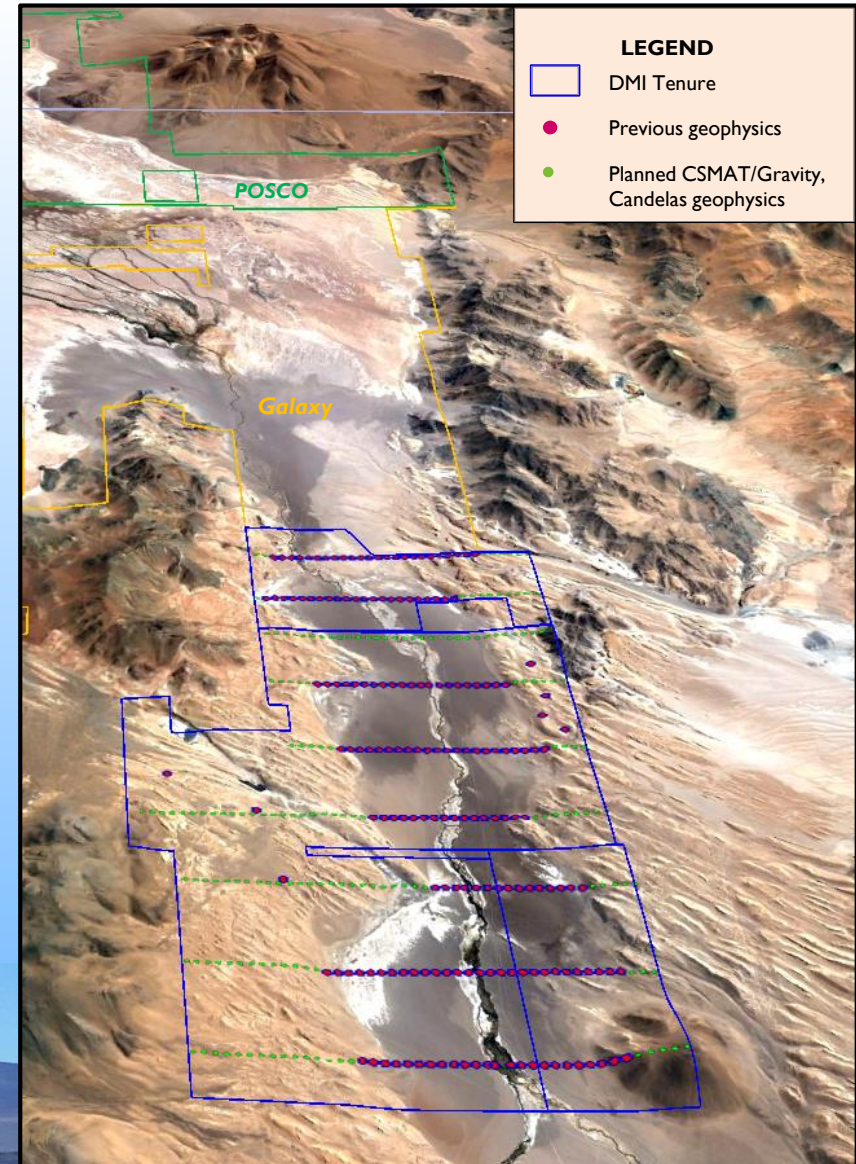
Hombre Muerto Projects

- Six project areas totalling ~153,000 Ha of landholdings
- Potential brine areas comprise ~6,900Ha
- Rich setting for lithium brine development – ground waters sourcing volcanic rocks, hydrothermal activity, a closed basin, arid climate, faulted environment
- Candelas project main focus of exploration
- Other targets lie within the Western Basin; Catalina, Pata Pila, Rana de Sal, Catalina & Deceo

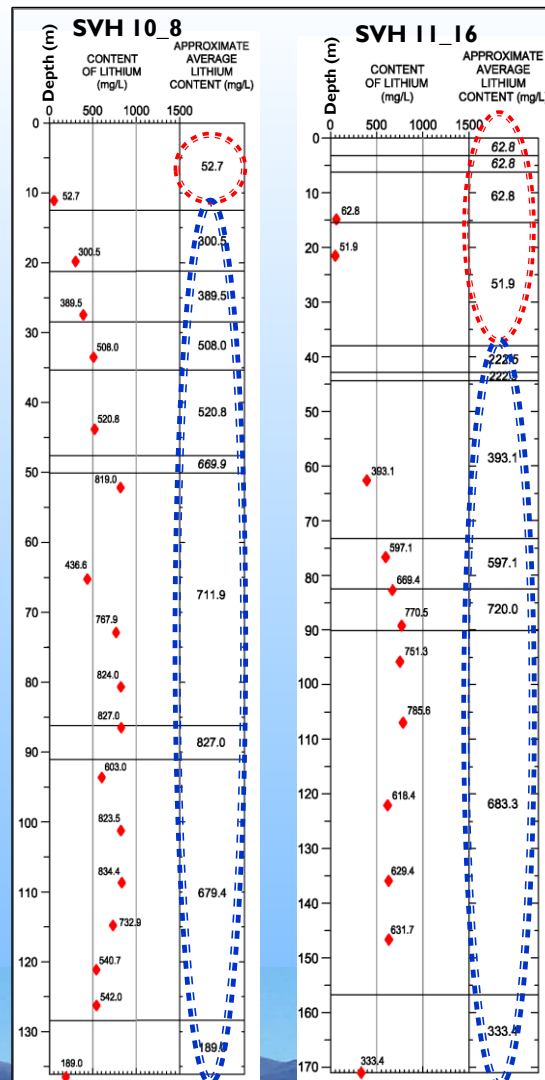
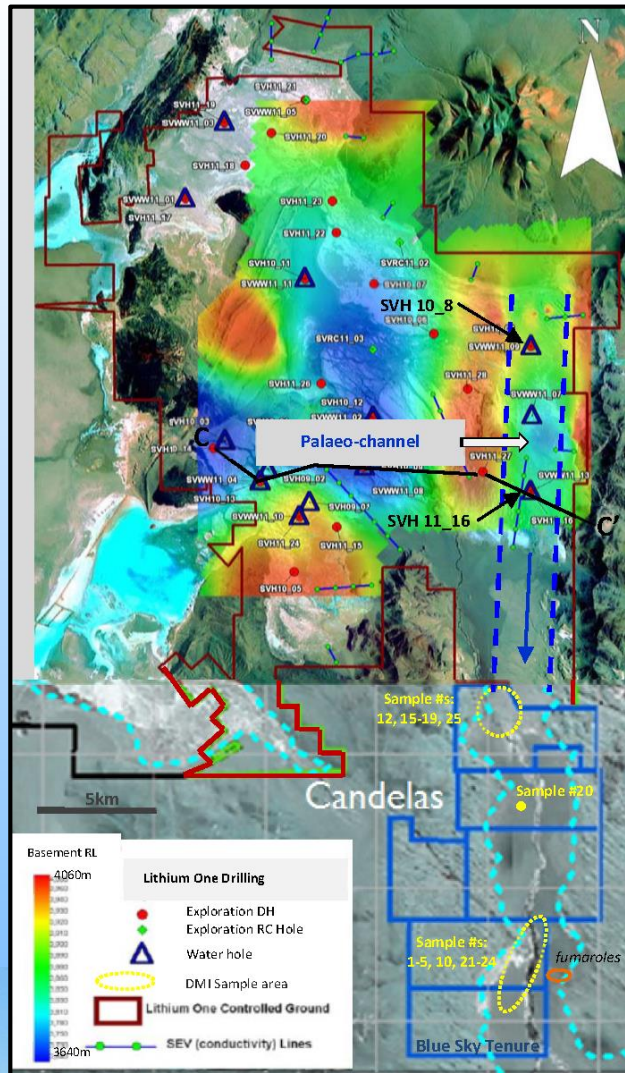


CANDELAS

- Encompasses the 15km x 3-4km Los Patos delta
- Extensive exploration potential, adjacent to Galaxy's Sal de Vida project
- Very shallow targets below surficial alluvial cover
- Sufficient area for evaporation ponds, processing infrastructure & great fresh, process water
- Rio Los Patos accounts for ~79% of incoming waters & lithium into the salar. Likely Li source rocks from the Cerro Galan volcano (associated fumaroles noted in the delta)



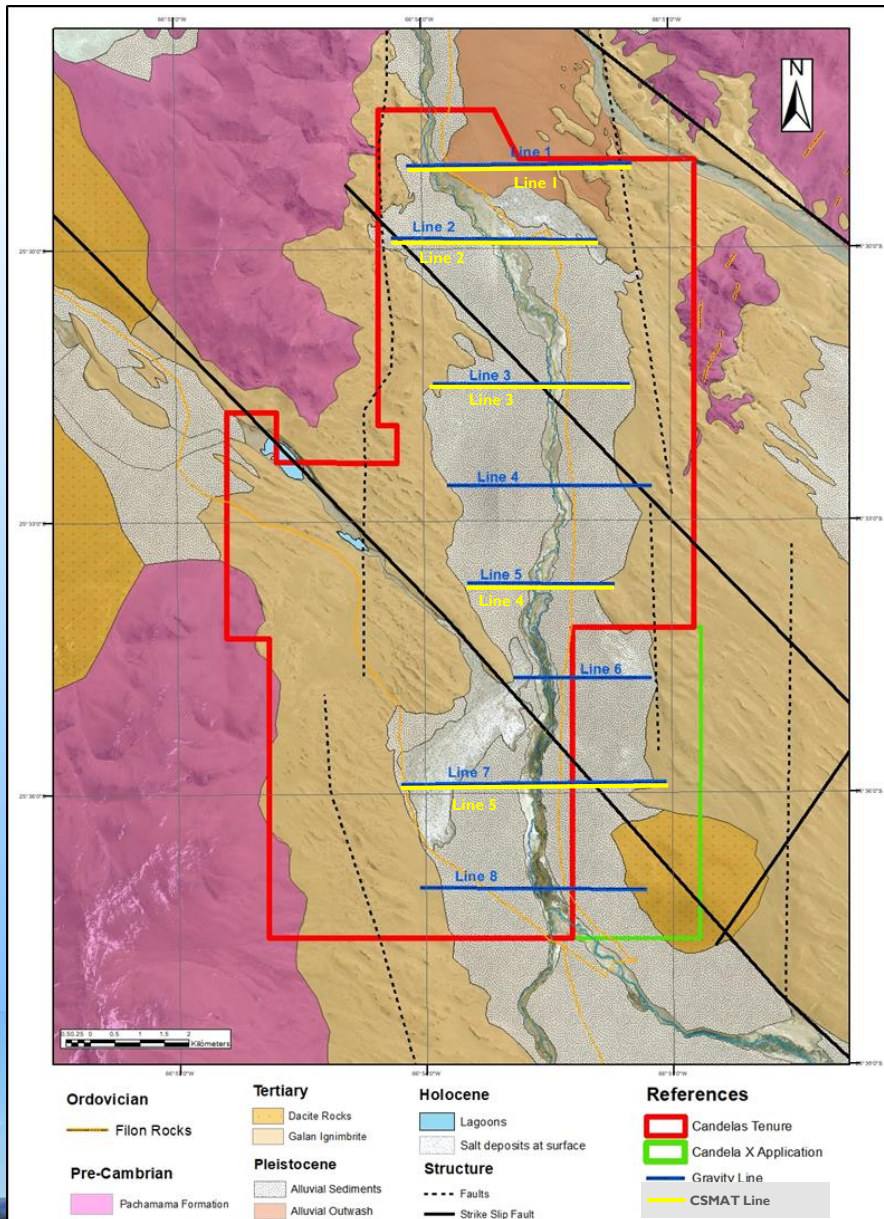
CANDELAS Surface Sampling



- Galaxy's closest drilling to Candelas indicates substantial volumes of brine hosted by coarse sands and gravels similar to those thought to exist at Candelas; perfect permeable host
- Recent surface sampling in the north returned results similar to that obtained by Galaxy:
GXY: ~50-60ppm Li DMI: to 59 ppm Li
- Los Patos palaeochannel clearly visible running into Galaxy ground, brine host
- Potential for significant volumes of brine to exist at depth within the Candelas channel
- Gravity & a CSAMT (resistivity) survey completed. Aim to generate target areas for drilling
- Survey conducted by highly regarded group Quantec who conducted work at Sal de Vida for Galaxy

CANDELAS

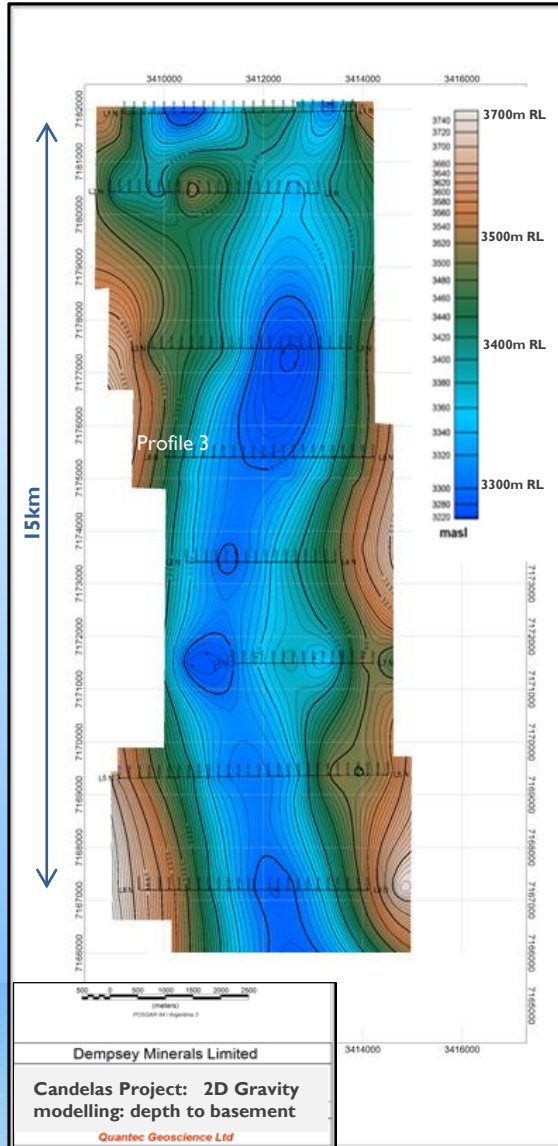
Geophysics



- CSAMT (Controlled Source Audio-frequency Magnetotellurics) survey recently conducted by Quantec Geoscience Ltd
- Survey covered ~10km over 5 profile lines
- Profiles interpreted to contain “...very *conductive and shallow horizons consistent with geological units saturated with brine*” (Quantec)
- Interpreted brine layers range from ~150-400m+ thickness over entire extent of the survey
- Interpreted brine layers remain open to the west

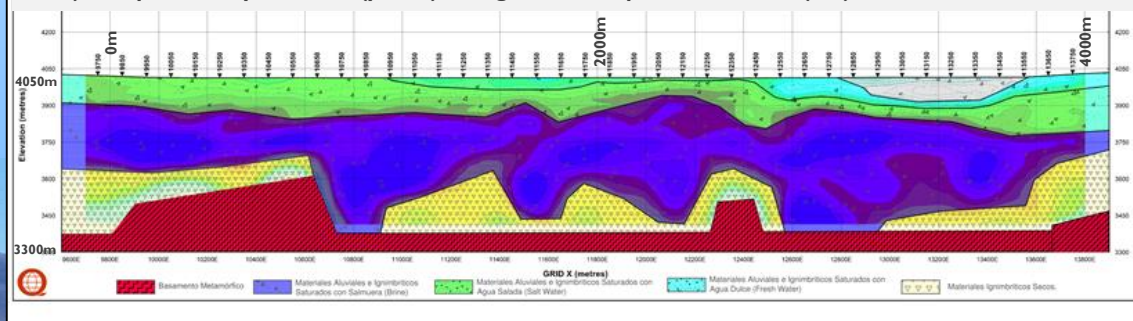
- GRAVITY survey also conducted at the same time
- Survey covered the ~15km over 8 profile lines
- Profiles interpreted a deep basin-channel environment with depths of up to 600m
- Interpretation supports CSMAT findings of a large, deep channel hosting significant brine layers
- Follow up geophysics extending lines to commence in August

CANDELAS Geophysics

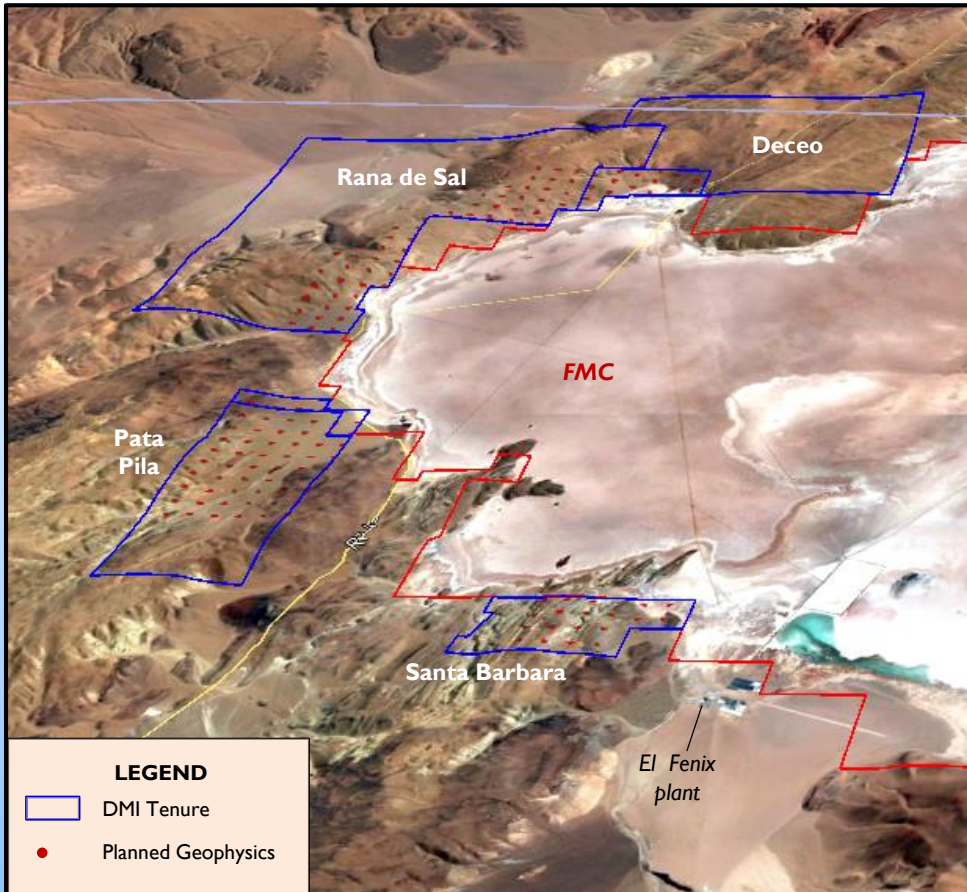


- Candelas channel lies within a structurally controlled graben formed into basement Pre-cambrian metamorphic rocks
- Extends for the length of the project, over 15km
- Channel filled with Tertiary ignimbrites, sourced from the nearby Galan volcano, and more recent Pleistocene sediments (alluvial fan and channel deposits and salar sediments)
- Interpreted Gravity and CSAMT survey results support each other showing depths to basement overlain by lowly resistive units compatible with units being saturated with brine
- Brine thicknesses interpreted to range from ~150 to 400m+
- Profile 3 and 2D Gravity interpretation show examples of the data obtained
- Results far exceeded company expectations

Profile 3 - Interpreted CSAMT model showing depths to lowly resistive brine saturated materials (purple/blue) with possible dry materials (yellow) sitting above interpreted basement (red)



WESTERN BASIN Projects



- Several areas covering margins of the Hombre Muerto salar, includes potential alluvial fan covered salar targets
- Initial near surface water sampling highly encouraging, several samples >1,000 mg/t Li
- Follow up geophysics (gravity & resistivity) surveys to commence in August

| Sample ID | Easting | Northing | Li (mg/l) | Mg (mg/l) | Mg/Li | Location |
|-----------|-----------|-------------|-----------|-----------|-------|---------------|
| MC1 | 682,946.2 | 7,199,241.6 | 1,070 | 2,187 | 2.04 | Catalina |
| MC2 | 682,782.8 | 7,199,308.6 | 1,156 | 2,434 | 2.11 | Catalina |
| MC3 | 682,940.1 | 7,199,454.7 | 690 | 1,615 | 2.34 | Catalina |
| MC4 | 685,204.5 | 7,199,963.2 | 304 | 1,073 | 3.54 | Catalina |
| MC5 | 684,311.3 | 7,200,306.6 | 149 | 395 | 2.66 | Catalina |
| MC6 | 684,117.3 | 7,200,124.9 | 457 | 1,063 | 2.33 | Catalina |
| MC7 | 684,052.1 | 7,199,990.3 | 1,272 | 3,186 | 2.51 | Catalina |
| MC8 | 683,717.2 | 7,200,005.7 | 1,135 | 2,597 | 2.29 | Catalina |
| MC9 | 683,402.1 | 7,199,896.6 | 602 | 1,295 | 2.15 | Catalina |
| MR1 | 682,395.4 | 7,199,304.7 | 365 | 562 | 1.54 | Rana de Sal |
| MR2 | 681,966.7 | 7,198,761.9 | 921 | 1,663 | 1.81 | Rana de Sal |
| MR3 | 681,953.2 | 7,198,472.3 | 434 | 674 | 1.55 | Rana de Sal |
| MR4 | 679,000.5 | 7,195,375.9 | 272 | 3,351 | 12.33 | Rana de Sal |
| MR6 | 678,574.4 | 7,195,090.6 | 48 | 649 | 13.56 | Rana de Sal |
| MR7 | 678,588.2 | 7,195,078.1 | 279 | 1,821 | 6.52 | Rana de Sal |
| MD1 | 679,792.9 | 7,189,779.0 | 81 | 253 | 3.14 | Pata Pila |
| MSTAB1 | 689,023.1 | 7,182,449.7 | 561 | 1,053 | 1.88 | Santa Barbara |
| MSTAB2 | 688,641.5 | 7,182,532.0 | 539 | 1,078 | 2.00 | Santa Barbara |
| MSTAB3 | 688,088.0 | 7,182,512.1 | 1,086 | 2,132 | 1.96 | Santa Barbara |

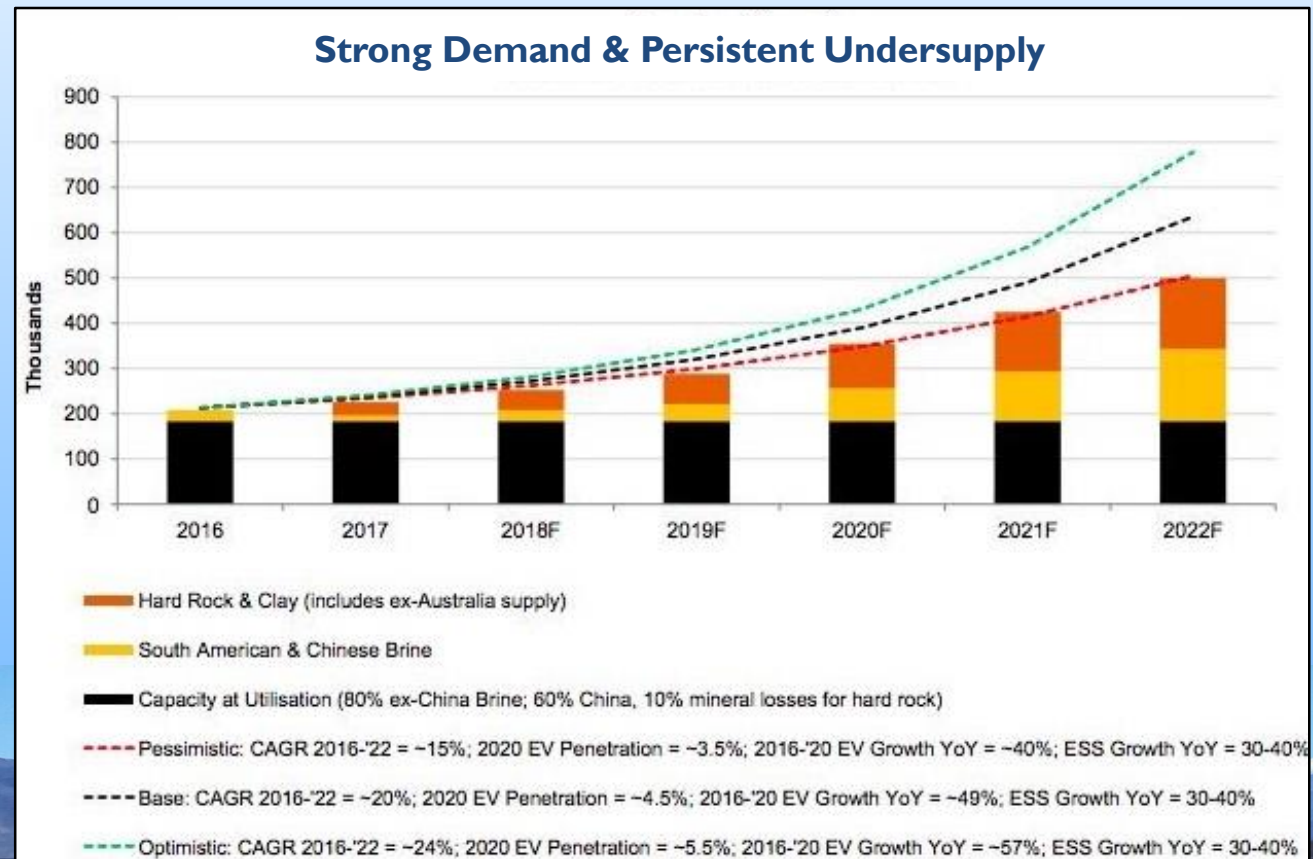
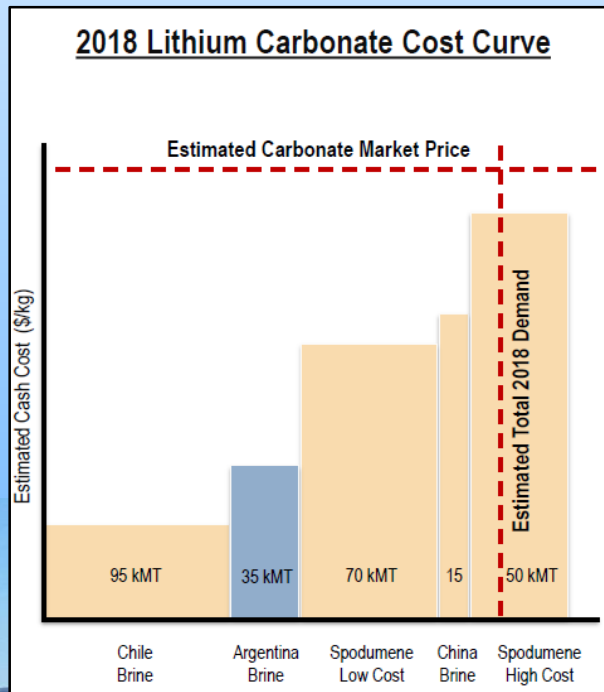
ARGENTINA



- In 2015 Mauricio Macri was elected President and has championed the opening up of the Argentinian economy to international investment
- The fixed exchange rate between the US\$ and Argentinian Peso has been dropped and capital controls are no longer in place
- The majority of export duties and trade controls have been removed. Consistent Royalty regime for all minerals across most of the country introduced in 2017
- FMC, a US based company, has been successfully producing lithium carbonate and lithium hydroxide in Argentina for more than 20 years
- Results from the recent 2017 regional elections have shown that the electorate continues to support Macri's party and its progressive government policies

Lithium Market

- The lithium price has risen significantly in the past two years with unprecedented prices exceeding >US\$20,000/t (spot) and >US\$13,000/t (contract)
- Price rise primarily due to the demand for lithium batteries in electric vehicles
- Lithium demand is expected to further increase which should place further upward pressure on prices
- Li brine producers are the lowest cost producers & are economic at US\$5,000/t



Lithium: Some Recent news

- ✓ The Tesla Semi planned for 2019 requires 16 times the amount of lithium than that for a 50kWh electric car
- ✓ The number of electric buses will triple within seven years, all of them in China (Bloomberg)
- ✓ “Contemporary Amperex Technology Ltd (CATL) is close to choosing one of three sites in the European Union for its first overseas plant” (Bloomberg) – CATL is the largest producer of lithium ion batteries in the Chinese market
- ✓ End users continue to scramble for access to lithium, eg; POSCO’s signing a DSO offtake & funding agreement with Pilbara Minerals

| | |
|--|--|
|  | Plans to launch 30 new EV models by 2025 and to be 25% of total sales in 2025 |
|  HONDA | Intention to release dedicated EVs in China in 2018 |
|  | All new models will have full or partial electric engines by 2019 |
|  | Plans to offer 25 electrified models, with 12 fully BEVs, by 2025 |
|  JAGUAR | Stated that their new models from 2020 will be electric |
|  | Plans to introduce 2 new EVs in the next 18 months, and the at least 20 new “all electric vehicles” by 2023 |
|  TESLA | Model 3 launched in July 2017, the company is targeting 20k/month production in December |
|  | Introduction of Leaf full model change in Sep 2017 aimed at millennial market |
|  RENAULT | Electrified fleet to include 8 pure electric vehicles and 12 electrified models |

Source: Company data, Goldman Sachs Global Investment Research

Thank You

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