



**Li3ENERGY**

OTCBB: LIEG



# Li3 Energy, Inc. Corporate Presentation

July 2010

## Disclaimer



Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward looking statements that involve various degrees of risk. The following are important factors that could cause the Company's actual results to differ materially from those expressed or implied by such forward looking statements: The Company's ability to identify appropriate corporate acquisition and/or joint venture opportunities in the lithium mining sector and to establish the technical and managerial infrastructure to take advantage of, and to successfully participate in such opportunities, changes in the world wide price of mineral commodities including lithium, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future profitability and the uncertainty of access to additional capital.

# Summary



- Li3 Energy is an exploration stage lithium mining company (OTCBB: LIEG) headquartered in Lima, Peru
- Li3 Energy owns or has definitive agreements on lithium salt brine deposits in Argentina, Chile, Peru and Nevada
- Initial focus is on 3 salars (brine deposits) in Argentina
- Worldwide lithium demand forecast to increase over ten years driven by electric vehicle batteries
- Li3 positioned as a second source supplier next to leaders SQM, FMC, Talison, and Rockwood
- Li3's focus on brine mining offers reduced production cost of roughly 50% over open pit lithium mining
- Executive team with lithium industry expertise and seasoned independent board of directors with demonstrated experience growing mining companies through successful exploration and production

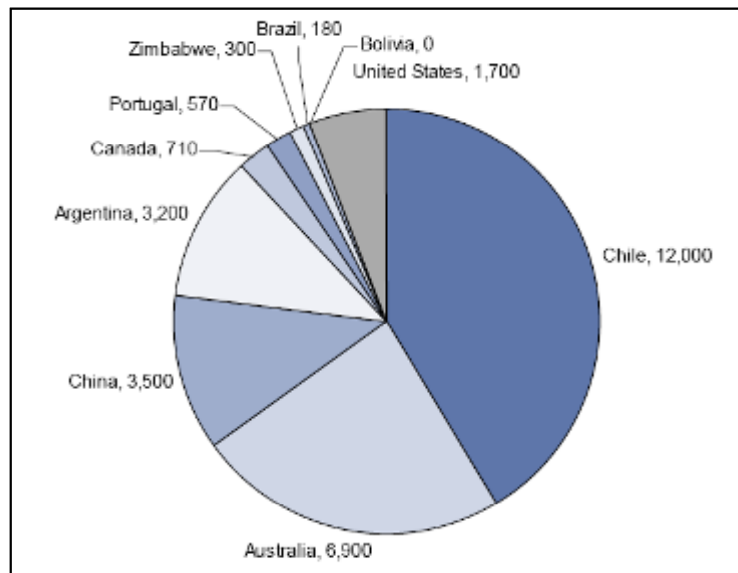


# Lithium Market



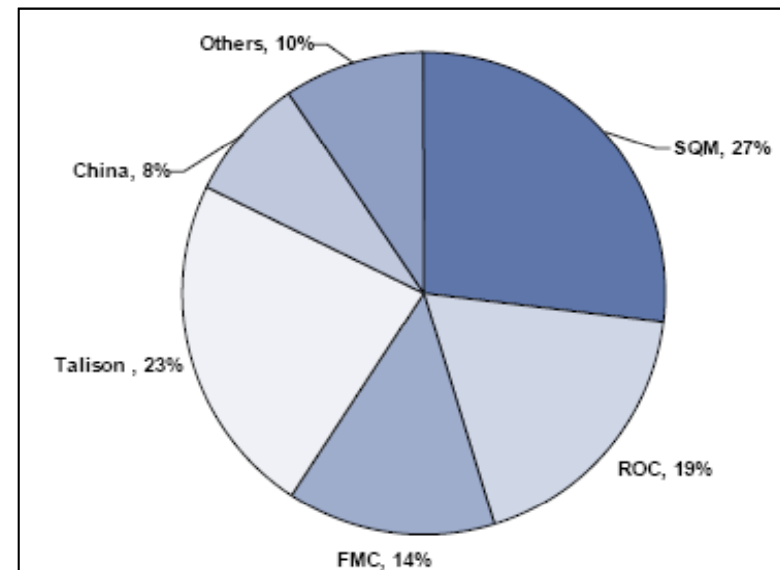
- Lithium consumption approximately 110,000 tons (2008) of Lithium Carbonate Equivalent (LCE) per year
- Demand growth at roughly 5.5% CAGR driven by growth in lithium batteries for consumer products
- Projected growth of 6.5% to 9.4% driven by incremental automotive applications (HEV and EV)
- Commodity prices fairly steady at roughly \$5,500 / ton LCE

Global Lithium production in 2008 (metric tons)



Source: USGS

Major Lithium Producers' Market Share

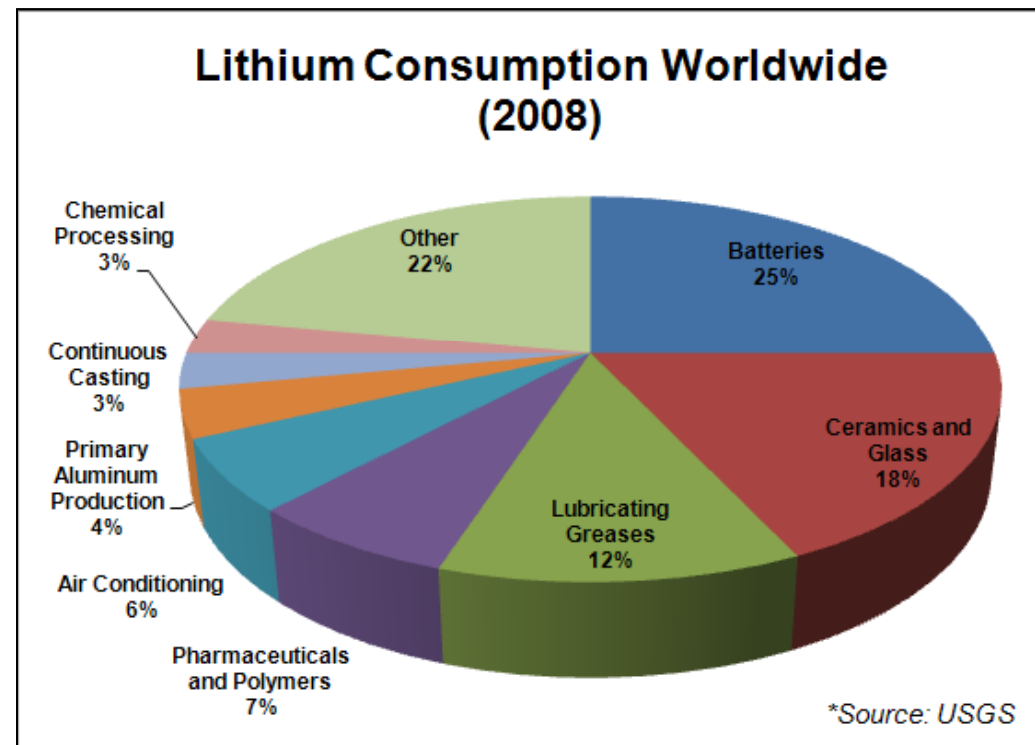


Source: The Economics of Lithium 2009, Roskill Report

# Lithium Applications



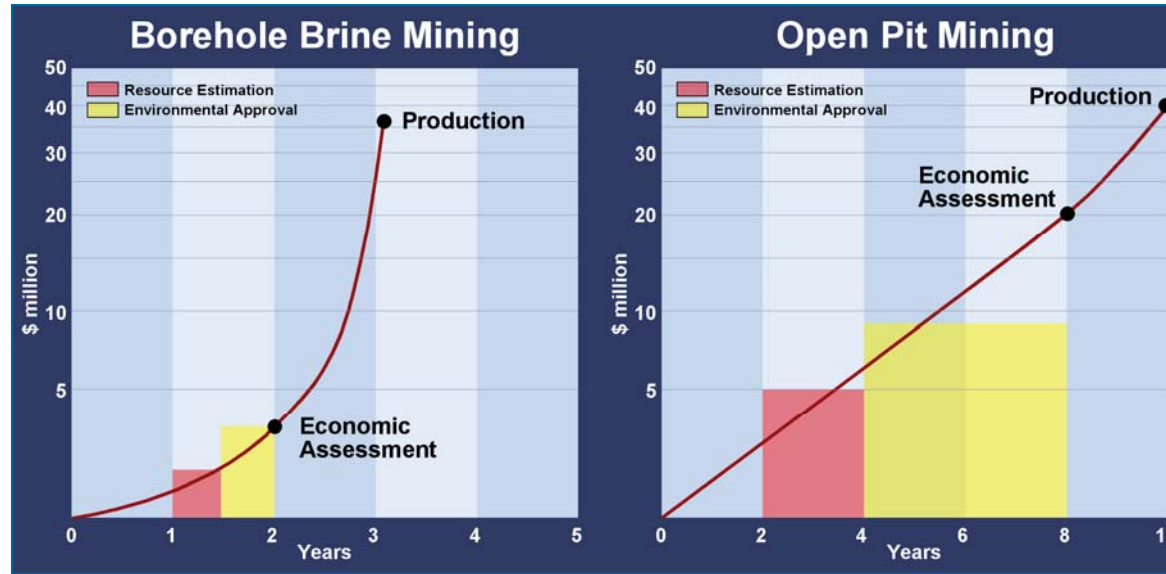
- Lithium has a wide range of applications including energy storage, ceramics and glass, and lubricating greases
- Growing demand in energy storage (batteries) used in Hybrid Electric Vehicles (HEV) and Electric Vehicles (EV), consumer electronics, and military and industry devices
- Government mandates, tax credits and U.S. Corporate Average Fuel Economy (CAFE) standards incentivize HEV and EV demand
- Mass storage applications, driven by growth in alternative energy generation



# Brines versus Open Pit



Lithium brine mining offers reduced costs and time to production versus open pit mining



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Mining Method	Time Line Production	Cost Production	Time Line Economic Assessment	Cost Economic Assessment
Open Pit Pegmatite	7 to 10 Years	\$100 - \$500 Million	5 to 7 Years	\$20 - \$30 Million
Borehole Brine	24 to 36 Months	\$60 - \$80 Million	12 to 18 Months	\$2 - \$3 Million

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# Li3 Projects



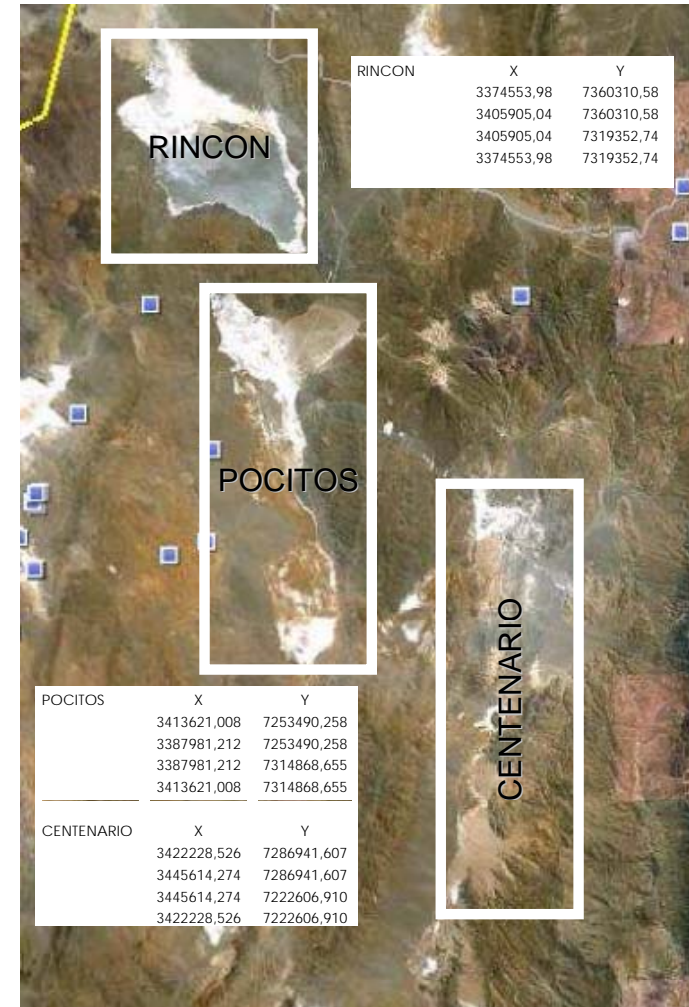
Location	Name	Size (Acres)	Status
Argentina	Rincon North	18,437	Definitive purchase agreement signed
Argentina	Centenario	30,456	Definitive purchase agreement signed
Argentina	Pocitos	21,357	Definitive purchase agreement signed
Peru	LVS Salar	19,500	Own property
Nevada	Big Smoky Valley	170,000	Own options
Chile	Polar Star (Atacama)	123,000	LOI to acquire option



# Argentina Projects

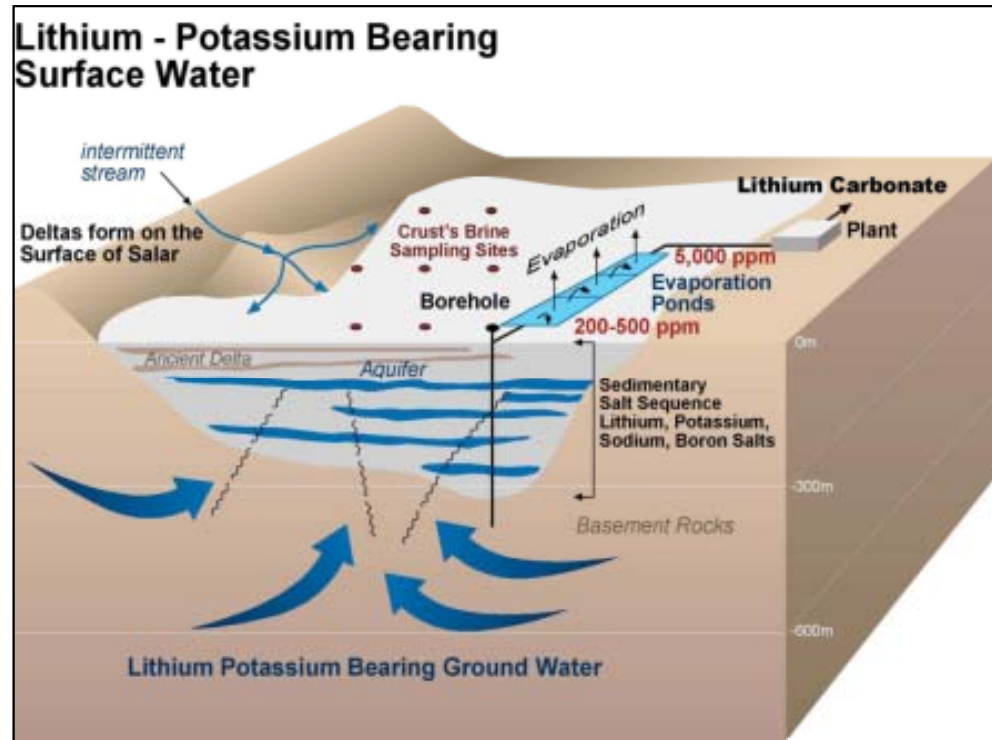


- **Rincon North**
  - 50,000+ Acres (Rincon, nearby pilot project of Admiralty Resources, sold to the Sentient Group LLP)
  - **Geophysical study identified potential rich brine aquifers**
  - **63 samples were collected during the initial phase returning values ranging from 300 – 600 ppm Li & 5,000 – 10,000 ppm K**
- **Centenario**
  - 18,000+ acres with Lithium and Potassium anomalies already detected by initial sampling
  - **Li up-to 1,500 & K up-to 10,000 ppm**
- **Pocitos**
  - 21,000+ Acres with Lithium and Potassium anomalies already detected by initial sampling
  - **East Anomaly section showed concentrations ranging from 100 – 300 ppm Li and 1,000 – 7,000 ppm K**



## Reconnaissance Sampling to Production – 36 Months

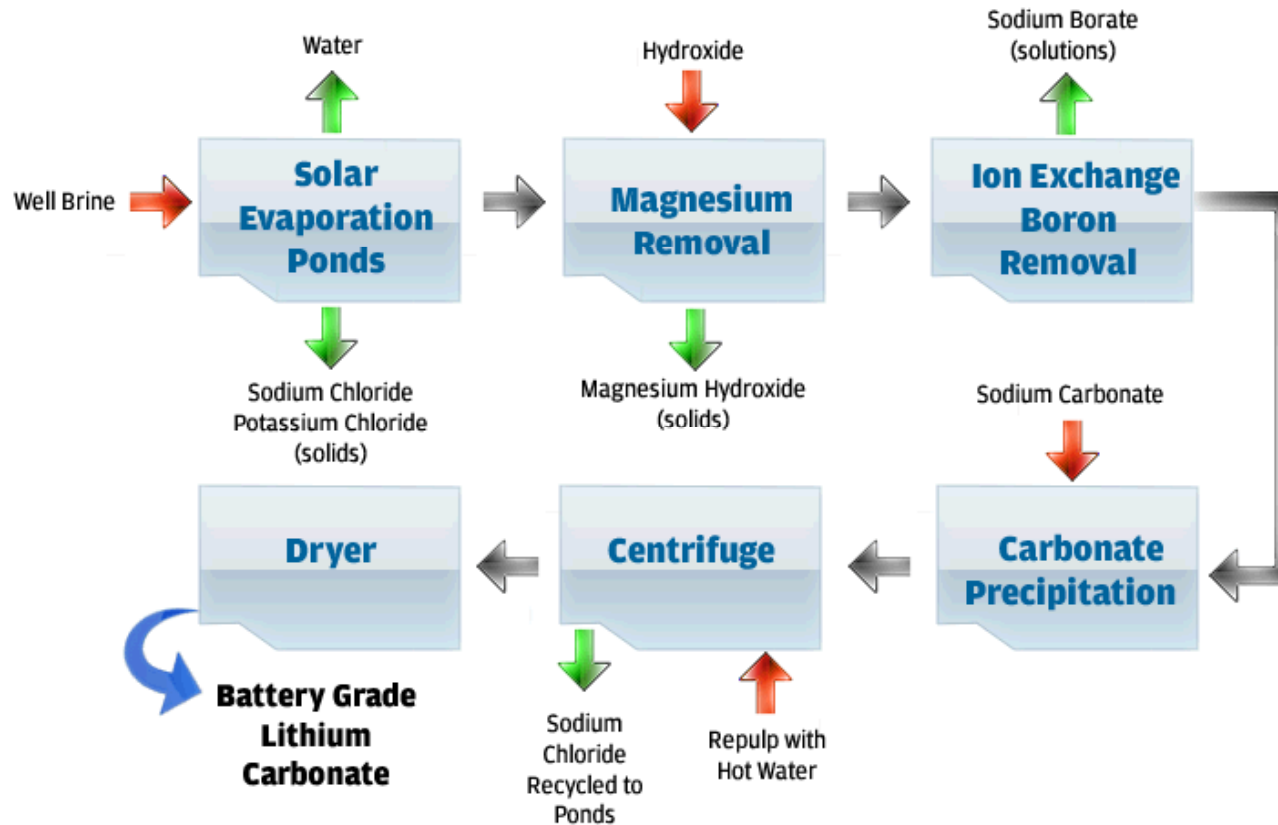
- Reconnaissance Sampling
- Grid Sampling
- Geophysics
- Drilling
- Hydrogeological Tests
- Resource Estimation
- Evaporation Tests and Climatology
- Economic Assessment
- Pilot Plant Construction
- Feasibility Study



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- Production Plant Construction
- Production

## Li3 Energy Lithium Carbonate Process



# Corporate Timeline



Activity	Year 1				Year 2		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Acquire and Exercise Options	Active						
Planning, Scheduling and Logistics	Active						
Reconnaissance Prioritization Program	Active						
Brine Sampling Program		Active	Active				
Seismic Program			Active				
Drilling, Pumping and Evaporation Tests			Active	Active			
Preliminary Economic Assessment				Active	Active		
Feasibility Study/Off Take						Active	Active





## • **Luis Saenz – Chief Executive Officer**

- Named head of Standard's mining and metals team, Americas (2007)
- Joined Standard Bank Plc's investment banking unit in New York (1997) and relocated to Peru (1998) to establish Standard's local Rep office to lead its mining and metals organization in Latin America
  - Standard (JSE:SBK) is South Africa's largest bank, conducting operations worldwide with a focus on emerging markets
- Previously worked for Pechiney World Trade in base metals trading before joining Merrill Lynch as Vice-President for Commodities (Latin America)
- Over 18 years of experience in mining finance and metals trading
- Has lived in Peru for last 14 years

## • **Thomas Currin – Chief Technology Officer**

- President and Founder of Limtech Technologies, Inc. (1993 - present), a private company that provides engineering services, lithium chemical products and recycling services to the lithium chemical industry
  - Major clients include SQM Chemicals, Du Pont, Cyprus Foote Mineral, UOP, Oak Ridge National Laboratories, Sterling Ventures, TVEL
- Previously worked for FMC, Inc. as process engineer, production superintendent, technical manager and division planning coordinator (1981-1993)
- Former production and process engineer for Reynolds Metals Company, a Fortune 500 international mining and chemical company (1978-1981)
- B.Sc. Chemical Engineering Degree, North Carolina State University

# Key Personnel – Directors



- **Kjeld Thygesen**

- Current Director of Ivanhoe Mines (NYSE:IVN, Mkt cap: \$4.75 billion), former Investment Director of Resources Investment Trust PLC and co-founder of Lion Resource Management Ltd., a specialist investment manager in the mining and natural resources sector. Has over 30 years experience as a resource analyst and fund manager.

- **David G. Wahl**

- Current President and CEO of Southampton Associates, a Geological and Engineering Consulting firm. Mr. Wahl sits on a number of Boards of Directors of publicly traded mining companies and provides mining sector consulting and technical services to corporate clients, financial institutions and governments in over 60 countries. He has spent considerable time in China examining the Salares of the Qinghai Plateau and has undertaken an examination of the Salares on the Puna in Argentina. Mr. Wahl is a graduate of the Colorado School of Mines with a Mining Engineer degree and has extensive international experience including mine financing.

- **Antonio Ortuzar**

- A legal expert and member of the Chilean Bar Association, Mr. Ortuzar has assisted many clients on all aspects of proposed international joint ventures, project finance, foreign investments, and corporate and commercial arrangements in the mining and infrastructure sectors. His areas of practice includes Project Finance, Mergers and Acquisitions, Securities, Telecommunications, Capital Markets and Mining Law. He has participated as a business partner in a number of ventures in the mining sector in South America and has advised on the issue of bonds and placement of shares on the Chilean Stock Exchange, ADR and on the NYSE. He was educated at the Universidad Gabriela Mistral in Santiago, Chile and is a Licensee in Juridical and Social Sciences, LL.B., 1988.

# Key Personnel – Directors



- **Anthony Hawkshaw**

- Current CFO and Director of Rio Alto Mining Limited (TSX.V:RIO), and Director of Statesman Resources Ltd. (TSX.V:SRR). Former CFO of Pan American Silver Corp (1995-2003) (NASDAQ:PAAS, Mkt cap: \$2.21 billion), having over 25 years experience in the mining industry arranging debt, equity and convertible debt finance with institutional investors, commercial banks and multilateral lending agencies.

- **David Rector**

- Previously served as the CEO, CFO, President, Secretary, Treasurer, and Director of Nevada Gold Holdings, Inc., formerly known as Nano Holdings International, Inc. (2004-2008). Former President, CEO and COO of Nanoscience (2004-2006). Since 1985, he has been the principal of the David Stephen Group, which provides enterprise consulting services to emerging and developing companies in a variety of industries. Former President and General Manager of Sunset Designs Inc., a manufacturer and marketer of consumer product craft kits (1980-1985). Mr. Rector obtained his Bachelor's Degree in Business Administration from Murray State University (1969).

- **Robert Sedgemore**

- Mr. Sedgemore is the current Senior Industry Specialist Mining at the IFC World Bank providing technical and economic valuation on global mining investments. He is the former Director and General Manager of South American Norcast Ltd., generating sales of over US\$30 million, and TST S.A. in Antofagasta. Previously worked as the Project and Study Manager of Mirabela Nickel, African Energy Resources and Exco Resources, and as Project Consultant for M3 Engineering in the US and Mexico. Mr. Sedgemore holds a C.E.T. designation and diploma in Instrumentation Engineering from the Heileybury School of Mines.

# Capitalization and Trading



<b>Shares Issued Outstanding</b> <sup>(1)</sup>		<b>70,625,095</b>
2009 Equity Incentive Plan		5,000,000
A – Warrants	@ \$0.50	7,101,500
B - Warrants	@ \$1.00	7,101,500
<b>Fully Diluted</b>		<b>89,828,095</b>

Market Data at 6.15.2010	OTCBB
3 month average daily volume	275,308
6 month average daily volume	369,014
<b>1 Month VWAP (Bloomberg LP)</b>	<b>\$0.4048</b>

*(1) Does not include 4,000,000 shares issued in the first closing*

### ***Luis Saenz, Chief Executive Officer***

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