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FOR A BETTER AND GREEN FUTURE**

# Kene & Bayash Lithium Project in Kazakhstan

**FEBRUARY 2024**



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## Company Info



Dala Resources (Dalares) is a 100% privately-owned company incorporated and operated under the laws of the Republic of Kazakhstan.

Dalares is based in Almaty, Kazakhstan.

Dalares was established in 2015 by Farkhat Yergaliyev, a private entrepreneur and SED LLP, a Kazakhstan-based private engineering company.

## Assets Legal title



Dalares holds exploration licenses for two LCT pegmatite Kene and Bayash deposits (Lithium, Tantalum, Tin and Beryllium) granted by the Government of the Republic of Kazakhstan (No.45-EL issued on March 14, 2019 and No.57-EL issued on April 3, 2019).

# Our Team

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## Farkhat Yergaliyev

GENERAL MANAGER

PhD in Geology. 30 years experience in exploration and mining. Robust expertise in project management, execution and development



## Almaz Ashirov

INVESTOR RELATIONS MANAGER

MBA. 20 years of experience in project management, marketing and investor relations



## Vladimir Glybovskiy

CHIEF GEOLOGIST

PhD in Geology. 45 years experience in Minerals Exploration and Mining



## Vladimir Konstantinov

GIS MANAGER

20 years experience in GIS with strong background in IT and project management



# Why Invest in Lithium

- Benchmark Mineral Intelligence forecasts that lithium demand will reach 2.4Mt LCE in 2030 and require \$42 billion of investment between now and 2028 to supply.
- Over ~100 new projects are needed by 2030 to support demand<sup>2</sup>.
- EV penetration is expected to reach ~50% by 2030, equating to 5.5x growth.
- Driven by EV production growth, demand for lithium is forecast to increase by 6 times in the period to 2040<sup>3</sup>.

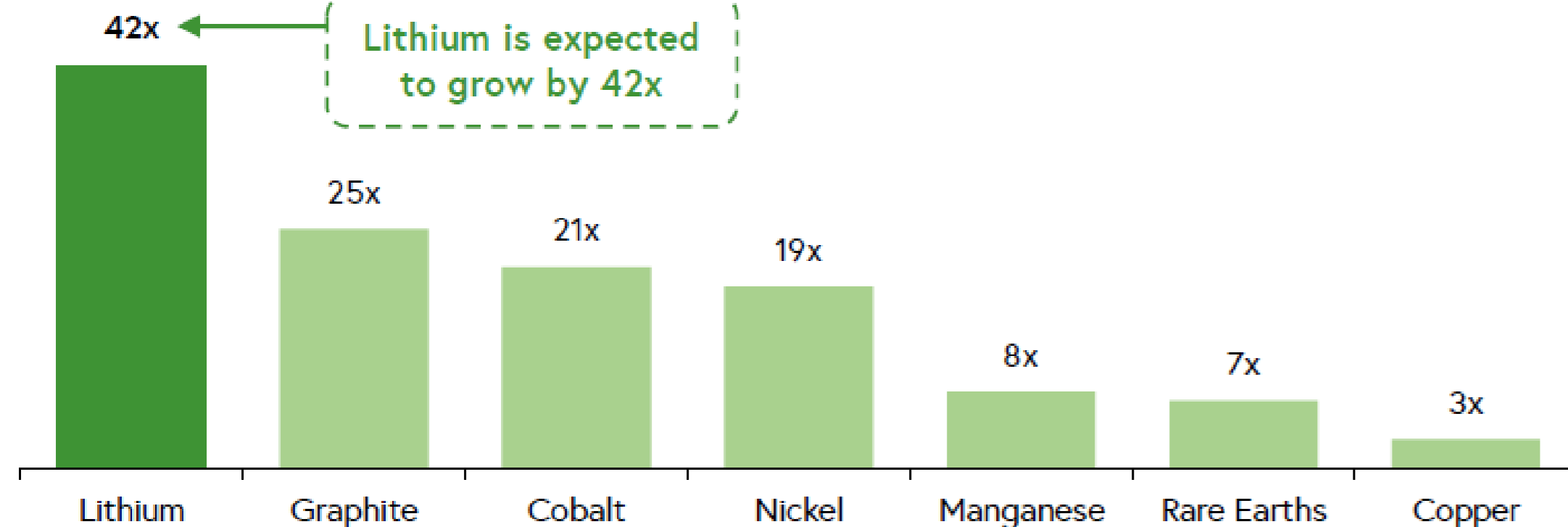


Rapid EV adoption is driving lithium demand

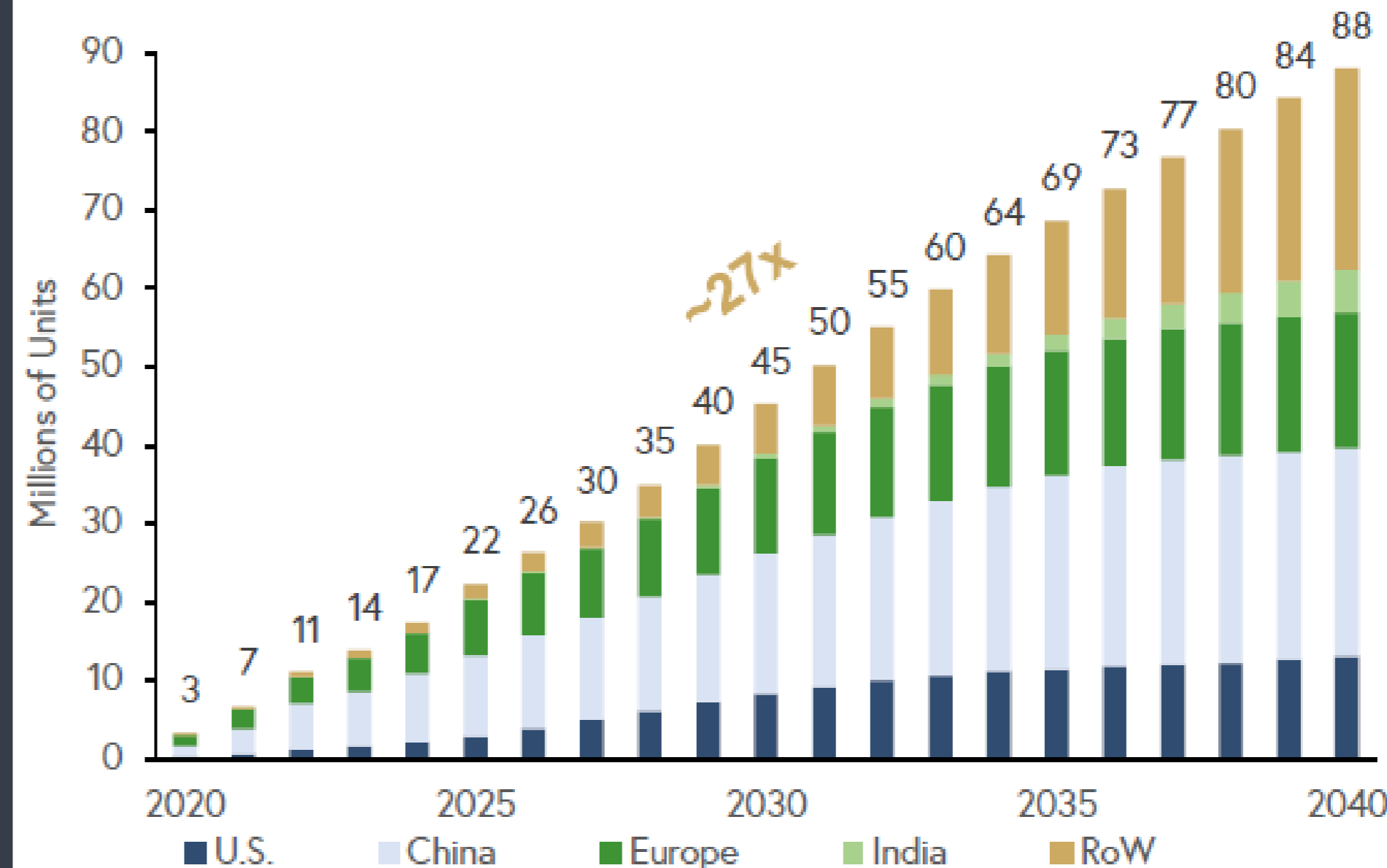
## Growth of selected minerals, 2040 relative to 2020<sup>1</sup>

Sustainable Development Scenario (SDS)

Index (2020 = 1)



## Global Electric Vehicle Sales Projections<sup>2</sup>



<sup>1</sup> IEA, "The Role of Critical Minerals in Clean Energy Transitions", May 2021

<sup>2</sup> Albamarle Strategic Update, Jan 2023

<sup>3</sup> Wood Mackenzie - Global Lithium Investment Horizon Outlook (Q4 2022)





# Why Invest in Kazakhstan

- ✓ The largest country in Central Asia and the 9th largest in the world. Population – 19,765 mln. Size – 2.725 mln. km<sup>2</sup>.
- ✓ A WTO member with a strategic geographical location near the rapidly growing markets such as China and India.
- ✓ A country with abundant mineral endowments - the largest country for chromium, tungsten, zinc and barite reserves; 2nd largest for uranium, silver, lead and molybdenum, and 3rd - for manganese and copper reserves.
- ✓ The world leader in uranium and chromium production. The 9th largest country for oil and gas reserves.
- ✓ A politically stable country with a favorable investment climate with solid investor benefits and has been ranked among the top states for FDI volumes.
- ✓ A country with a long history and top-notch mineral exploration and mining expertise.
- ✓ Top-class industrial infrastructure (highways, railroads, airports, advanced power generation and transportation system, cargo terminals, etc.) and low energy, fuel and labor costs.



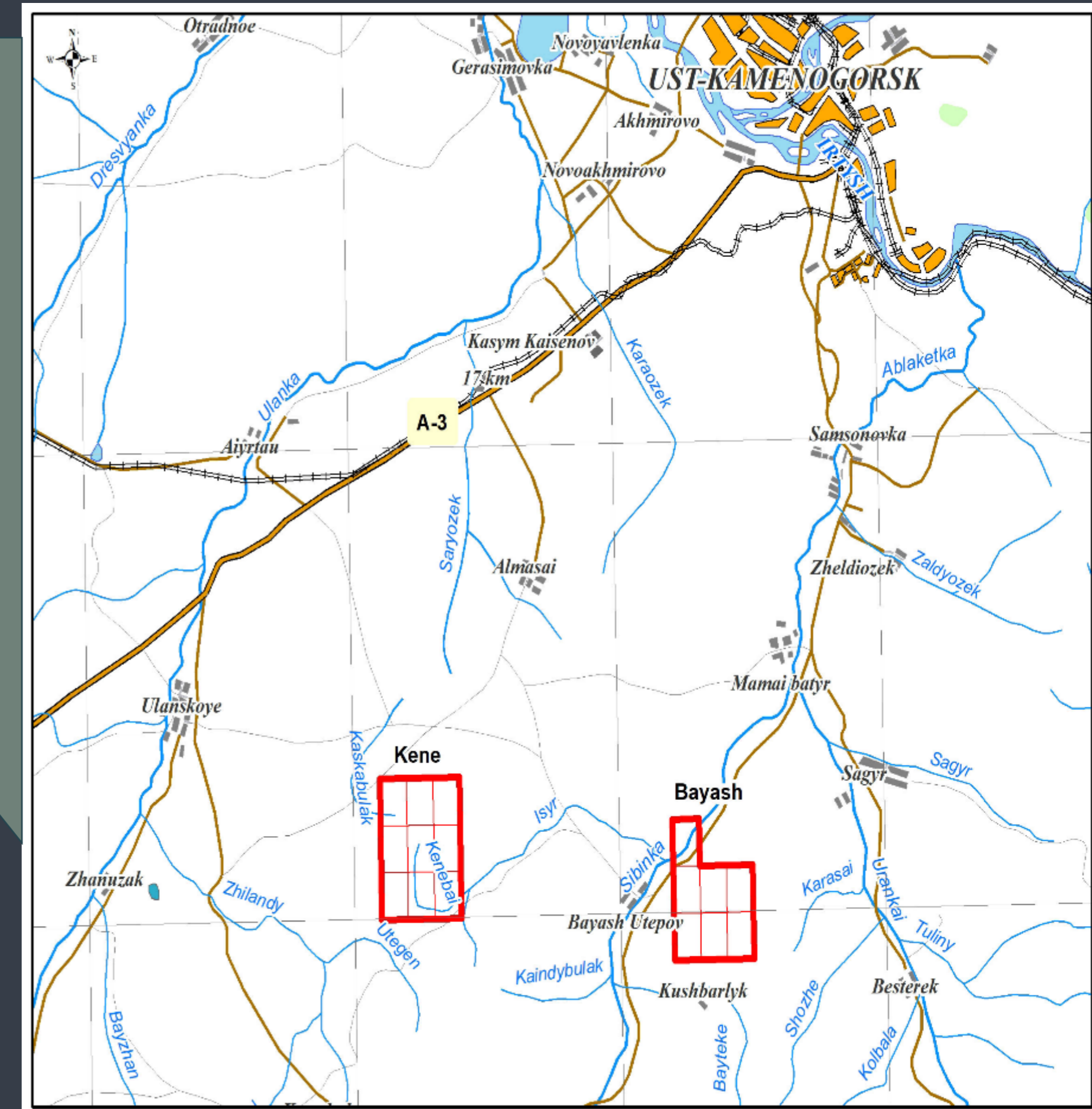


# PROJECT LOCATION



The Project is located in Eastern Kazakhstan, 25 km from Ust-Kamenogorsk, a provincial capital.

- ~550 km by highway M-38 to the checkpoint at the Chinese border.
- ~600 km to the railroad checkpoint at the Chinese border.
- Accessible by motor transport using a paved highway connecting Ust-Kamenogorsk and Sibiny. The distance between Kene and Bayash is 12 km.



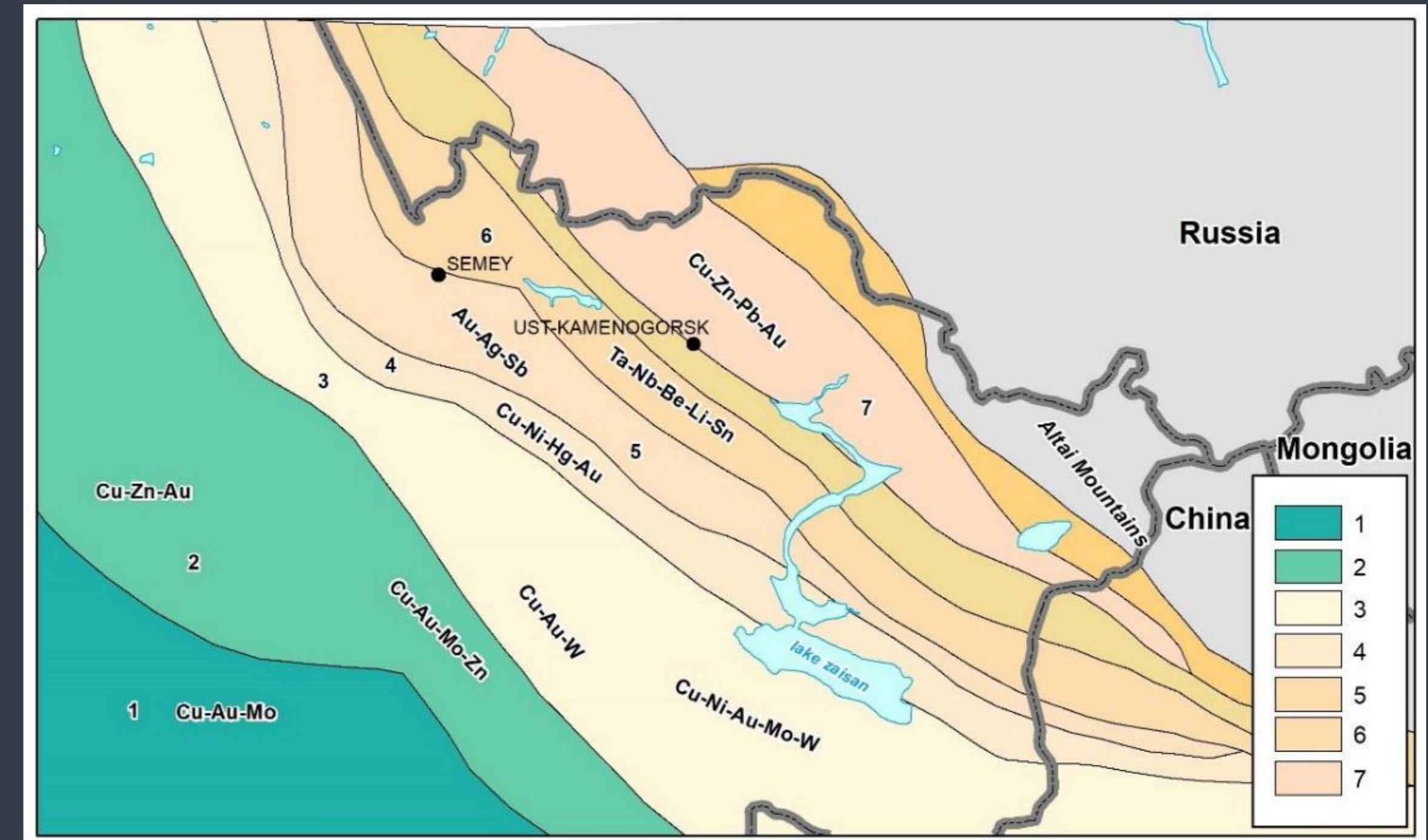


# REGIONAL GEOLOGY

Kene and Bayash LCT pegmatites are located within Karagoin-Saryozek ('KSZ') primarily lithium pegmatites zone (60x10km) which is a part of Kalba-Narym metallogenic belt ('KNB') (800x50km).

KNB is one of the provinces of Rudniy Altai, part of the Grand Altai Mountains. The structure is limited by deep regional faults from the north and the south accordingly. KNB by its geological nature is the terrain that drifted in the Paleo-Asian ocean toward the Grand Altai megastructure, and KNB integrated during the Hercynian Orogenic period. Contrary to the other Altai belts, KNB is enriched with the rare-element (Li, Sn, Be, Ta, Nb, Cs and W) pegmatites associated with the Permian granite intrusion. KSZ is located in the SW of KNB and composed of Late Devonian-early Carboniferous terrigenous sedimentary rock formation intruded by two-phase Permian granites.

The geology of the rare-element Kalba-Narym Metallogenic Belt and Karagoin-Saryozek Lithium-bearing Zone is well described in various geological publications, studies and research papers.



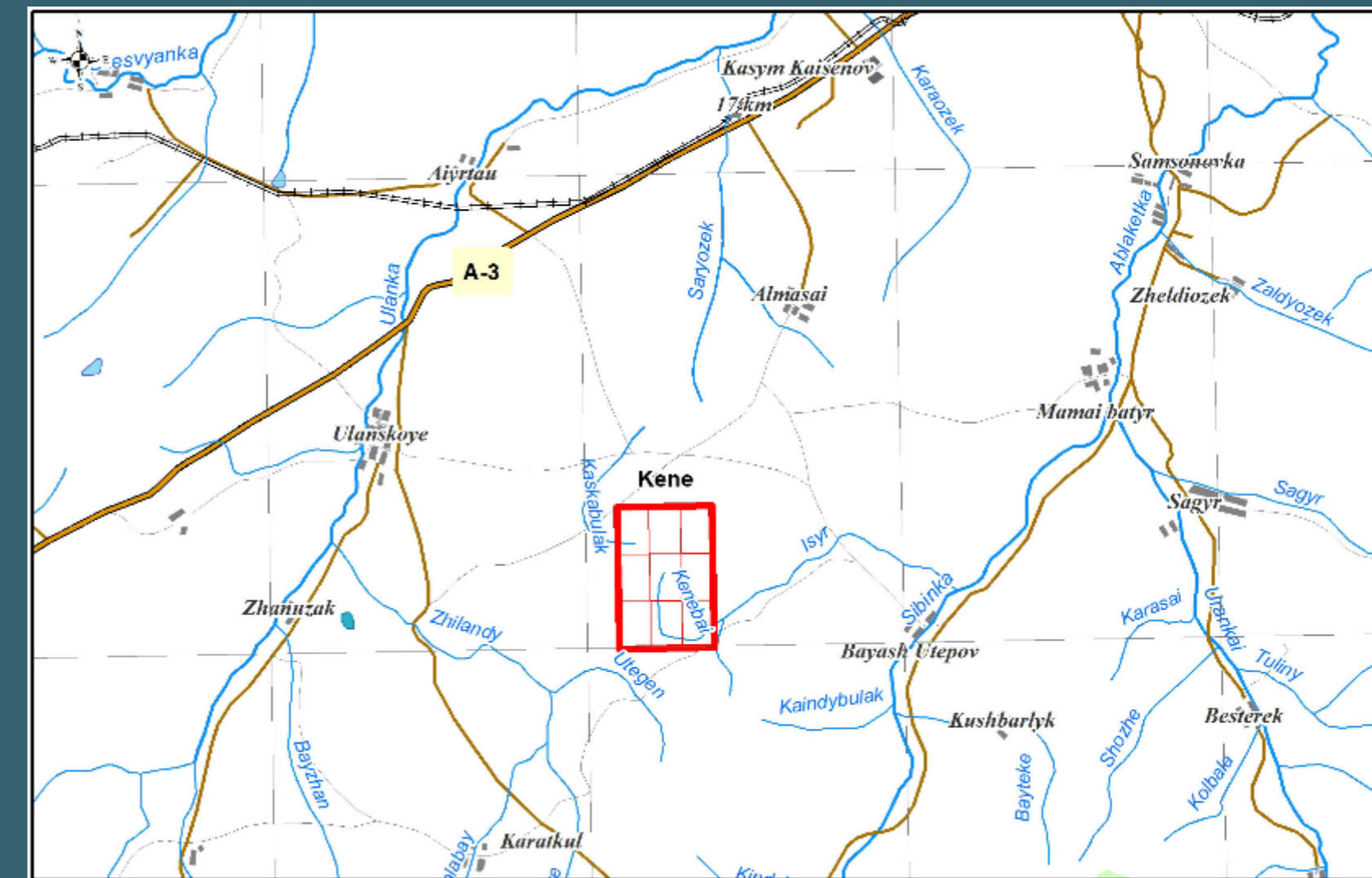
## Legend:

1. Northern-Pribalkhashskiy Caledonian Belt.
2. Chingiz-Tarbagatay Caledonian Belt.
3. Zharma-Suarskiy Hercynian Belt.
4. Charskiy Hercynian Belt.
5. Western-Kalbinskiy Hercynian Belt.
6. Kalba-Narymskiy Hercynian Belt.
7. Rudniy-Altayskiy Hercynian Belt.

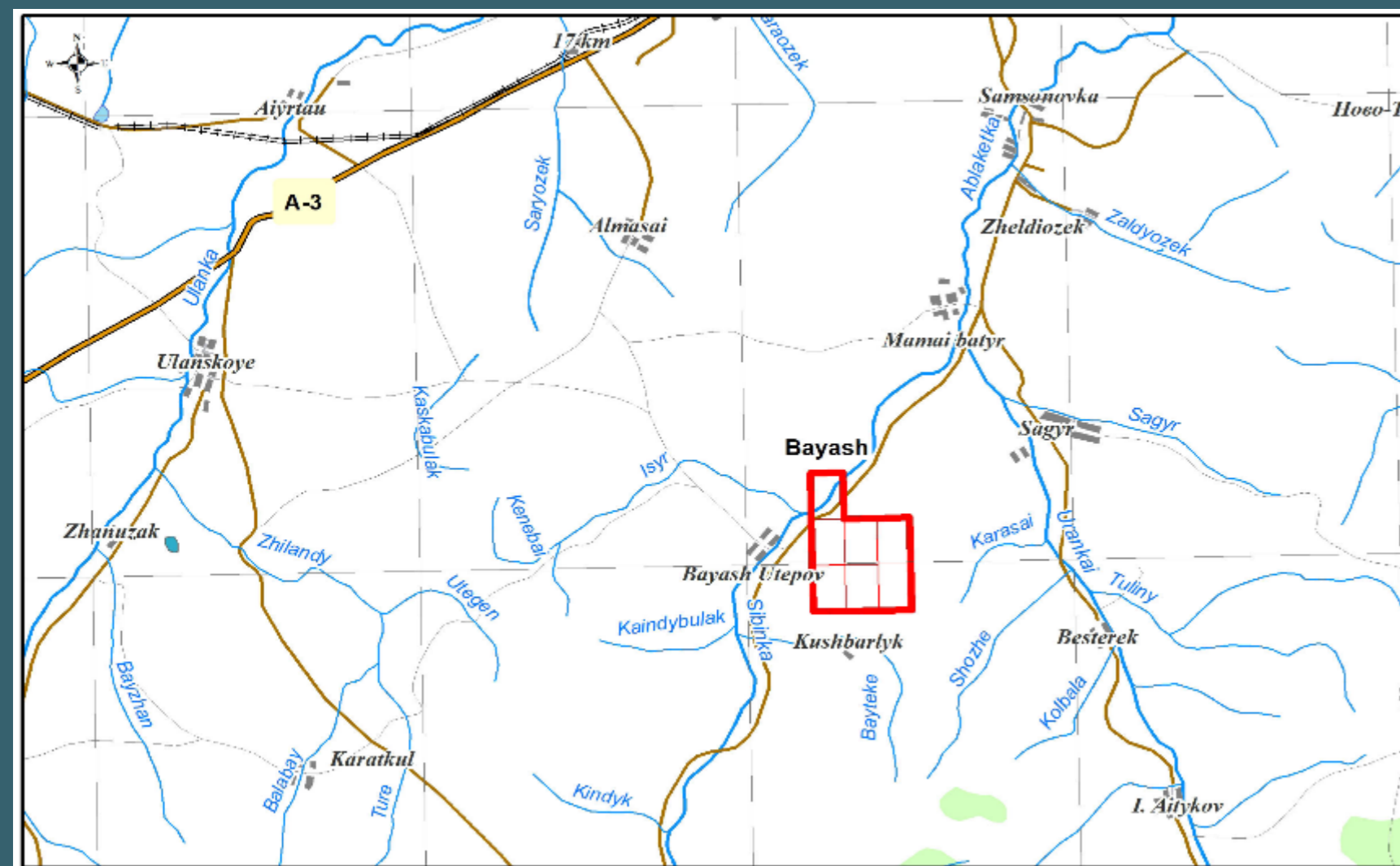


# KENE & BAYASH HIGHLIGHTS

- Both tenements area = 35.6 km<sup>2</sup>;
- Located within the area of widely distributed and well-outcropped LCT Pegmatites;
- Lithium mineralization (spodumene) with high grade of Li<sub>2</sub>O@2.8% (O.K.Averin, 1973);
- Kene core samples assayed by Anzaplan (Germany) in 2023 confirmed a lithium mineralization up to Li<sub>2</sub>O @ 2.2% (Kene drillhole DR-1) and up to 1.0% of Li<sub>2</sub>O in Bayash channel samples;
- Sizeable and high-grade Li resource with an upside potential confirmed by historical data and recent studies.



Kene (20.1 km<sup>2</sup>) coordinates 49° 41' North 82° 21' East. Includes 9 exploration blocks for rare elements including Li.



Bayash (15.5 km<sup>2</sup>) coordinates 49° 40' North and 82° 32' East. Includes 7 exploration blocks for rare elements including Li.





# Project Geology (Kene LCT Pegmatites)

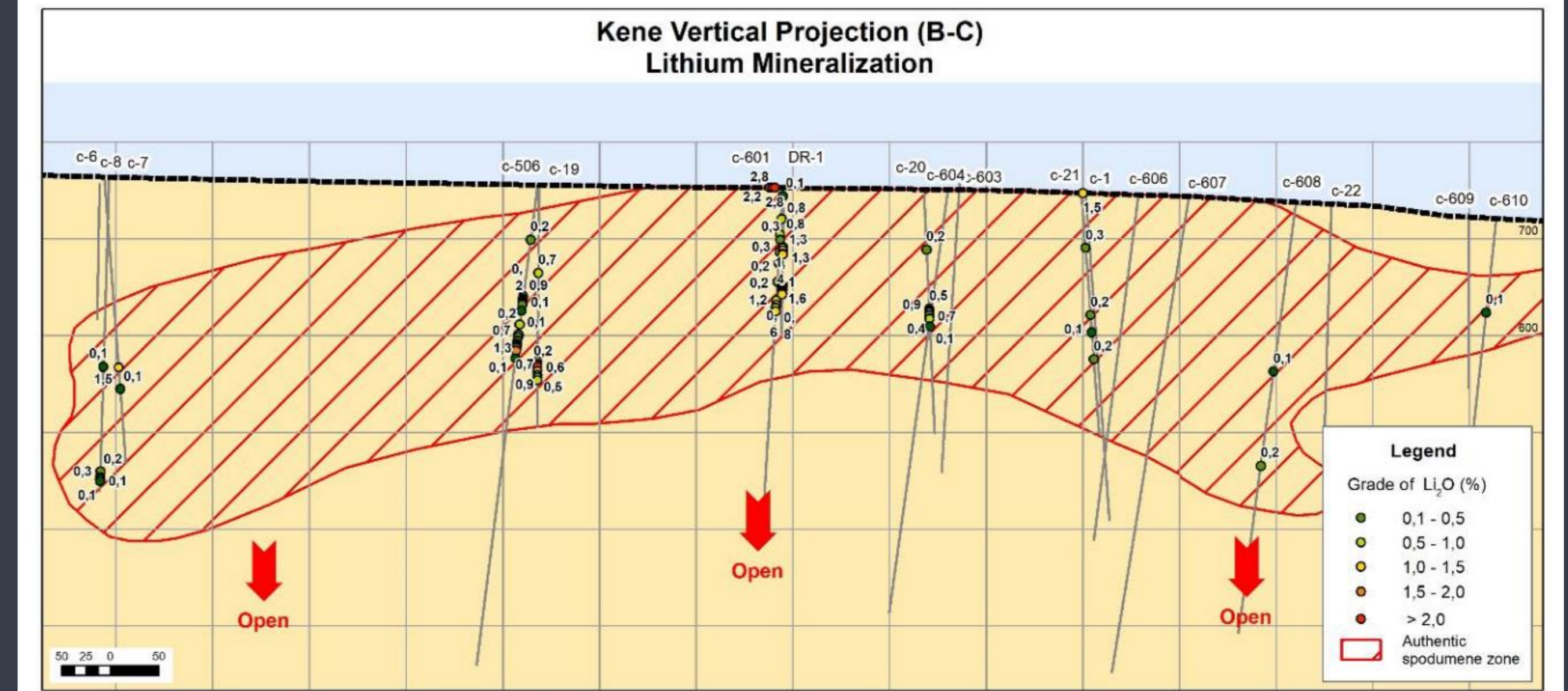
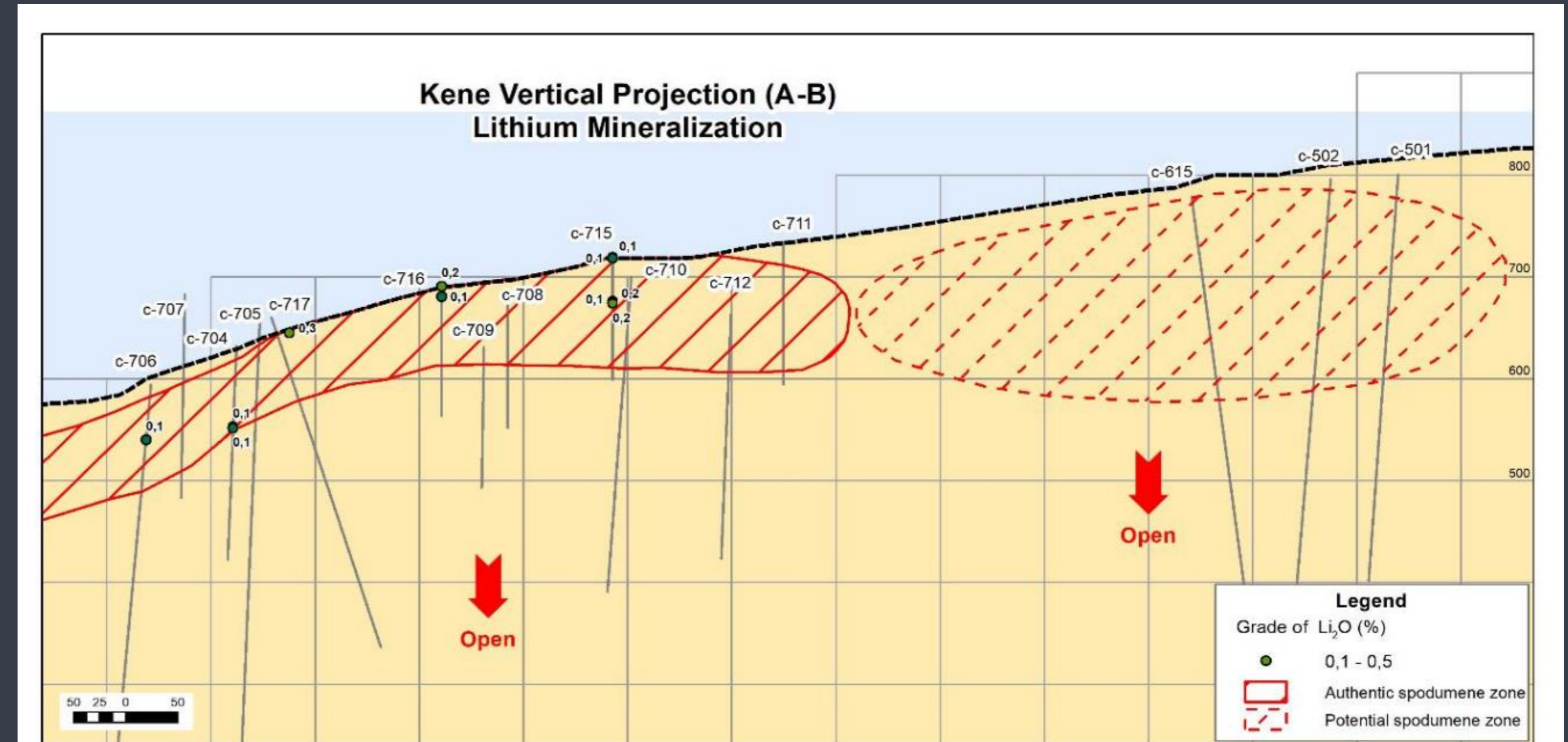
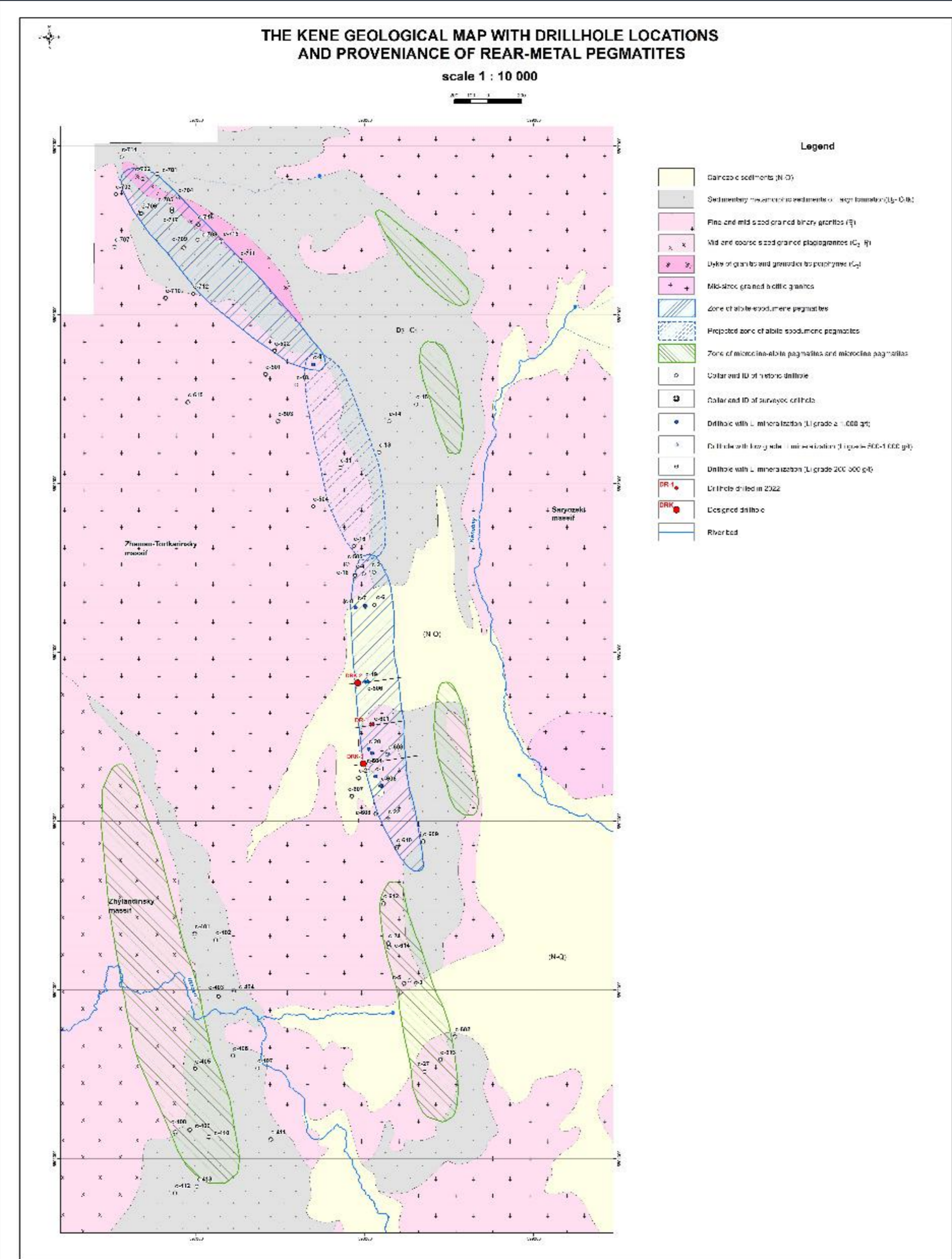
The Kenebai (“Kene”) LCT pegmatites, discovered in 1974 by Soviet geologists rushed for tantalum and tin resource prospect. The Kene LCT pegmatite is mainly associated with the endocontact of porphyritic biotite granite massif with sedimentary and metamorphic rocks and strikes in the NW direction with maximum dimensions of 5km (S-N), 750m (E-W) with min. thickness of 500m. Kene LCT pegmatites are mainly represented by several hundred outcropped veins of albite-spodumene pegmatites with thickness varying between 0.2m and 10m and up to 2.8% of  $\text{Li}_2\text{O}$  (Averin, 1973) and up to 2.2% of  $\text{Li}_2\text{O}$  at the depth of 100m (drillhole DR-1, 2023).

Based on the results of extensive geological work such as detailed geological mapping, geochemical and geophysics surveys, petrochemical and mineralogical studies followed by trench sampling (over 500 channels), drilling (71 drillholes in total) Soviet geologists concluded that Kene pegmatites and altered host rocks zone represent a low erosion level supra-ore system with significant Li resources.





# Kene Geological Map & Vertical Projection





# KENE OVERVIEW

In 2022 Dalares completed its 1st verification drillhole (DR-1) at Kene's Central Zone. The 150 m drillhole was drilled in the proximity of the historical drillhole C-601 (1991).

## Drillhole comparative data:

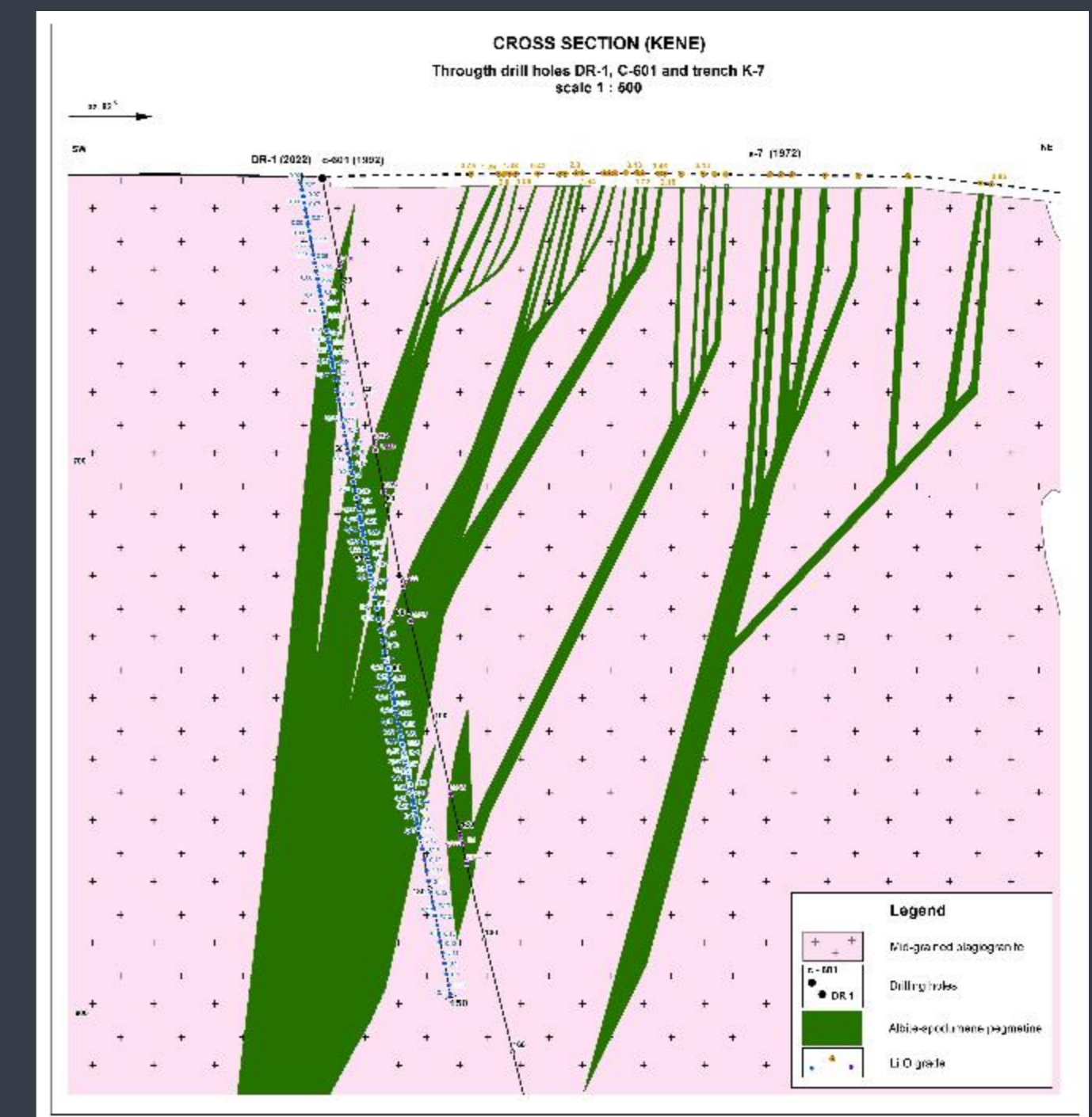
	<u>C-601</u>	<u>DR-1</u>
Target	Prospecting for Tn	Verification
Depth (m)	360	150
Incline	80°	80°
Drillhole angle	82°	82°
Core recovery	60-70%	100%
Core diameter (mm)	59	64
Sampling (m)	10.6	149.6
Average Li <sub>2</sub> O grade (%) within 0-150m intercept	0.05	0.35
Max. Li <sub>2</sub> O grade (%)	1.83	2.16



## Drillhole DR-1 lithium intercepts :

- 0.46% Li<sub>2</sub>O >3.6m from 30.2m to 34.2m;
- 0.87% Li<sub>2</sub>O > 9.3m from 61.1m to 70.4m;
- 1.12% Li<sub>2</sub>O > 9.2m from 101.2m to 110.4m;
- 0.37% Li<sub>2</sub>O > 5.0m from 112.6m to 117.6m.

Having reviewed the historical data and assay results from 2022 drilling, Dalares has defined the priority zone for further exploration – The Central Zone. The Central Zone is associated with the eastern flank of the endocontact of binary porphyric granites with schists and is represented by pegmatite veins of albite spodumene type of pegmatites. The Zone has over 30 steeply dipping pegmatite veins (70°-80°) with thicknesses varying from 0.2m to 2.0m with average Li<sub>2</sub>O grade@1.3% and reaching max. grade of 2.8% (O.K.Averin, L.F. Knyazev et al., 1973).





# KENE: 2023-2024 PROGRESS

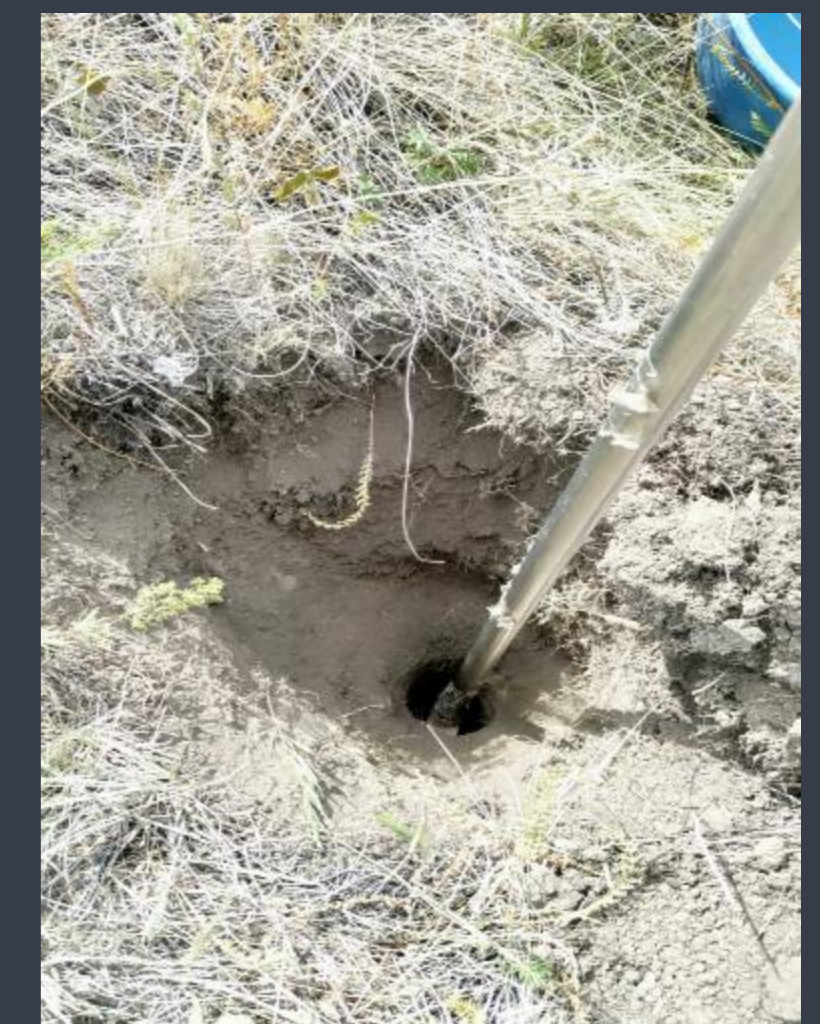
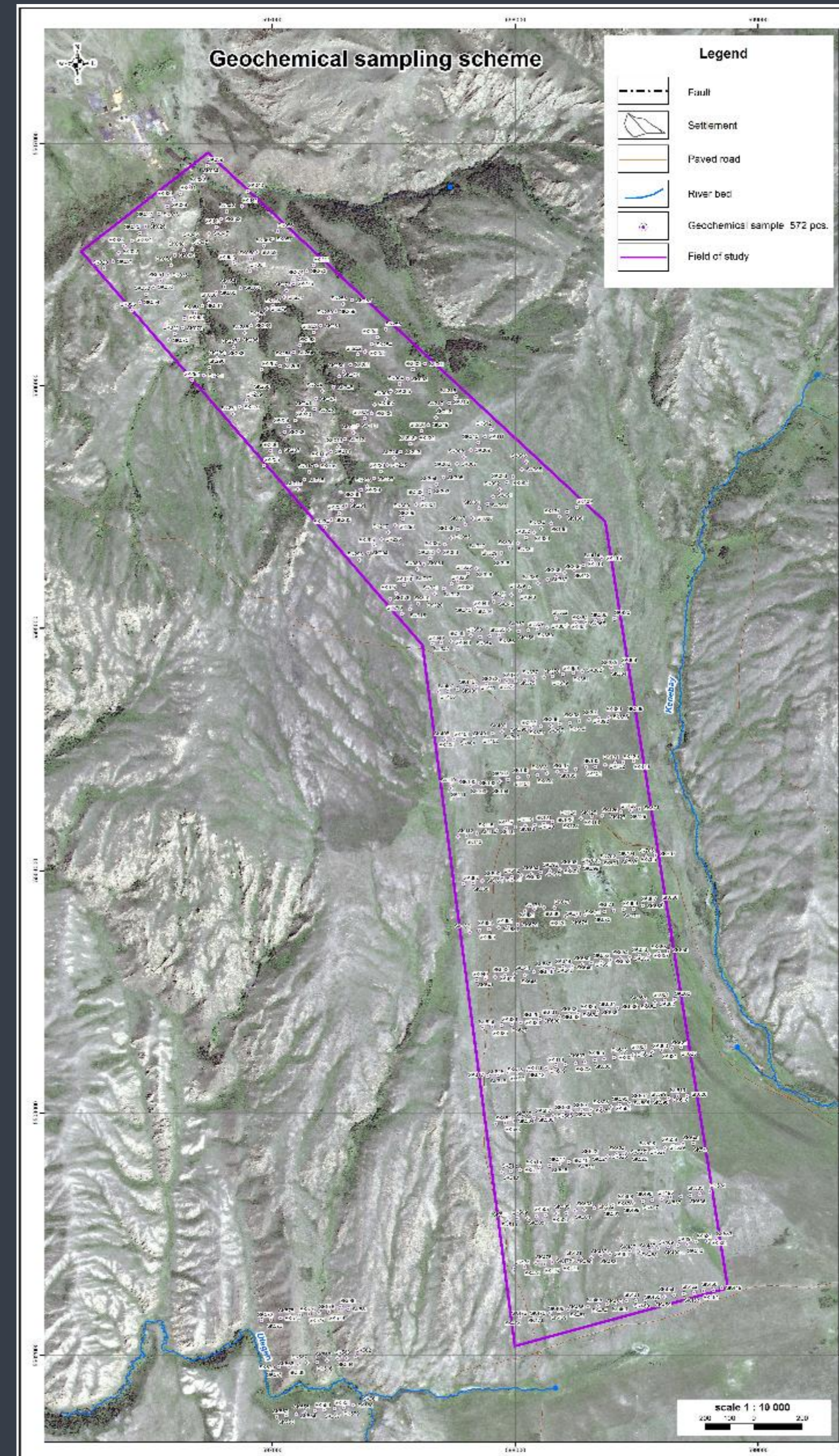
## 2023 Geochemical Program:

After having analyzed the core assay results significantly exceeding the  $\text{Li}_2\text{O}$  grades reported in the historical reports, Dalares has been convinced that Kene's lithium potential has previously been largely underestimated. These results have prompted the Dalares to conduct geochemical tests in 2023 to assess Kene's potential and to discover and localize additional previously unexplored Li mineralization zones.

In July - August 2023, Dalares collected 572 geochemical samples at Kene from the secondary halo of dispersion concentrated in the illuvial horizon 'B' with a sampling grid of 200mx40m (125 samples/km<sup>2</sup>).

In December 2023 Dalares shipped 608 geochemical samples to SGS (Canada) for assay tests in compliance with QA/QC standards. The analysis will be conducted using GE-ICM91A50 methodology to quantify 56 elements using sodium peroxide fusion followed by ICP-AES / ICP-MS.

The assay results are expected in March 2024. Dalares will subsequently analyze the assay results statistically and create a Kene modern geochemical model with the identification of anomalous geochemical fields for detailing the prospecting and exploration of the lithium deposit.





# Project Geology (Bayash LCT Pegmatites)

The Tochka (“Bayash”) LCT pegmatites were discovered in 1956 by V. Kascheyev during the geological mapping of a scale 1:10,000 and prospects for tantalum and tin). “Tochka” was derived from the name of a nearby village. In 1992, the Kazakhstan parliament renamed the *Tochka* village into *Bayash Utepov* (“Bayash”).

The Bayash LCT pegmatites are mainly associated with the exocontact of granites with schists striking in the NW direction with maximum dimensions of 8km (SE-NW) by 1200m (E-W) with a min. thickness of 500m. Several hundred pegmatite veins varying between 0.2 and 10 m in thickness outcropped on the surface.

During the geological prospects and exploration (1957-1990) rushed for tantalum and tin Soviet geologists concluded that Bayash LCT pegmatites are the rare element mineralization supra-ore system open to all directions especially at depth with a high potential for a large-size lithium deposit discovery.



Image: Spodumene crystals 10-20cm x 2-3cm. Barernaya albite-spodumene pegmatite



# BAYASH OVERVIEW

In September 2022 Dalares sampled three historical channels at Bayash: k-43, k-49 and k-160. The channel samples assay results from Anzaplan (March 2023) confirmed substantial lithium mineralization. The key summary:

- ✓ 0.68% of  $\text{Li}_2\text{O}$  over 1m interval in K-160;
- ✓ 0.99% of  $\text{Li}_2\text{O}$  over 1m interval in K-49.

Having reviewed the historical data and assay results from 2022 channel sampling, Dalares has defined the priority zone for further exploration –The Barrier Zone (“albite-spodumene vein Bariernaya – as derived from the historical geological reports). The Barrier Zone is associated with the massive albite-spodumene vein (“Bariernaya” vein) confined within porphyry biotite granites. In contrary to all other pegmatite veins, the Bariernaya Vein, occurrence-wise, has NE strike of 160m in length at the surface with NE dipping at  $75^\circ$  and thickness of 4.5m (V.Kascheyev, 1957; P.Sinishin, A. Butko, 1959).

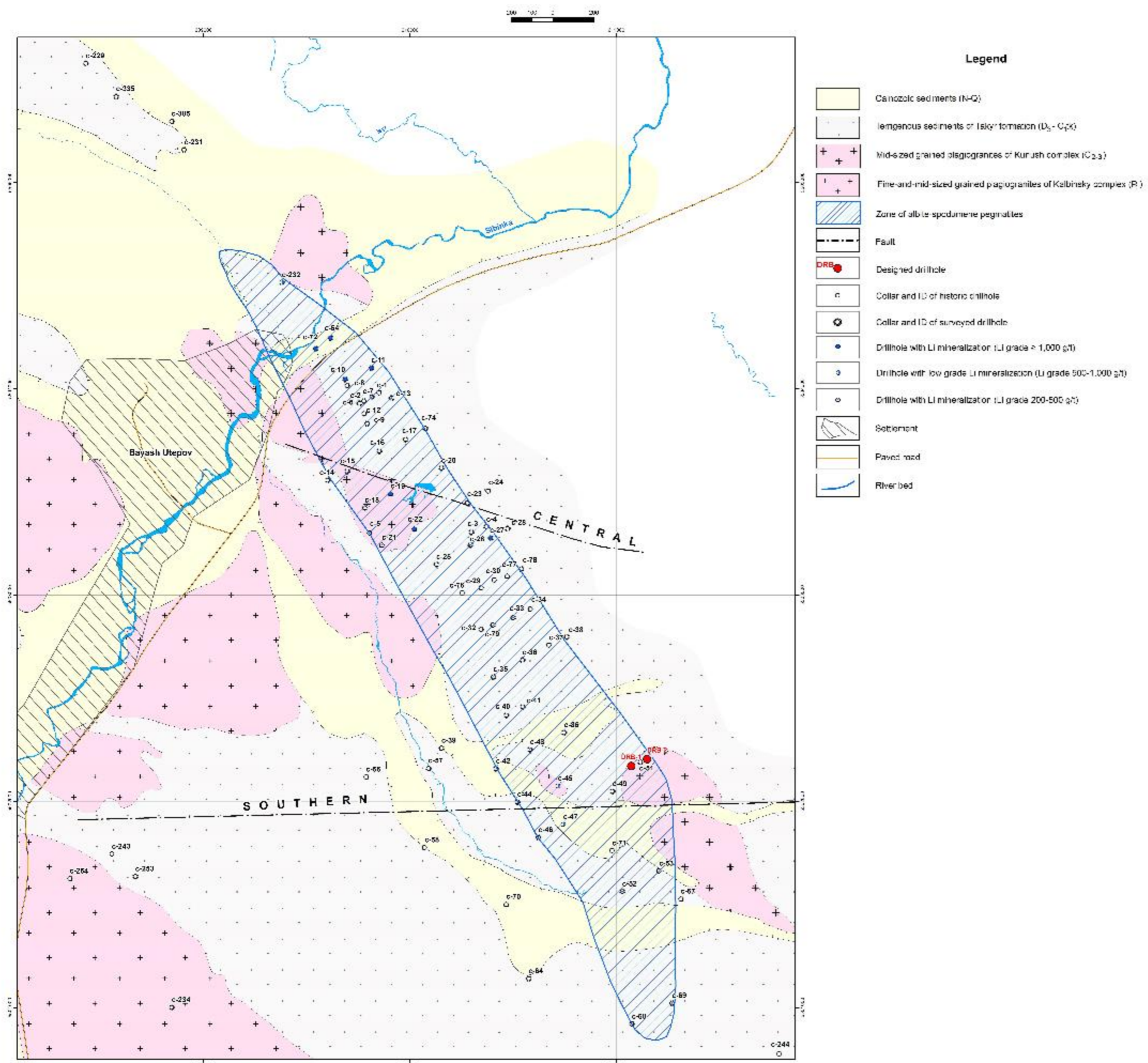




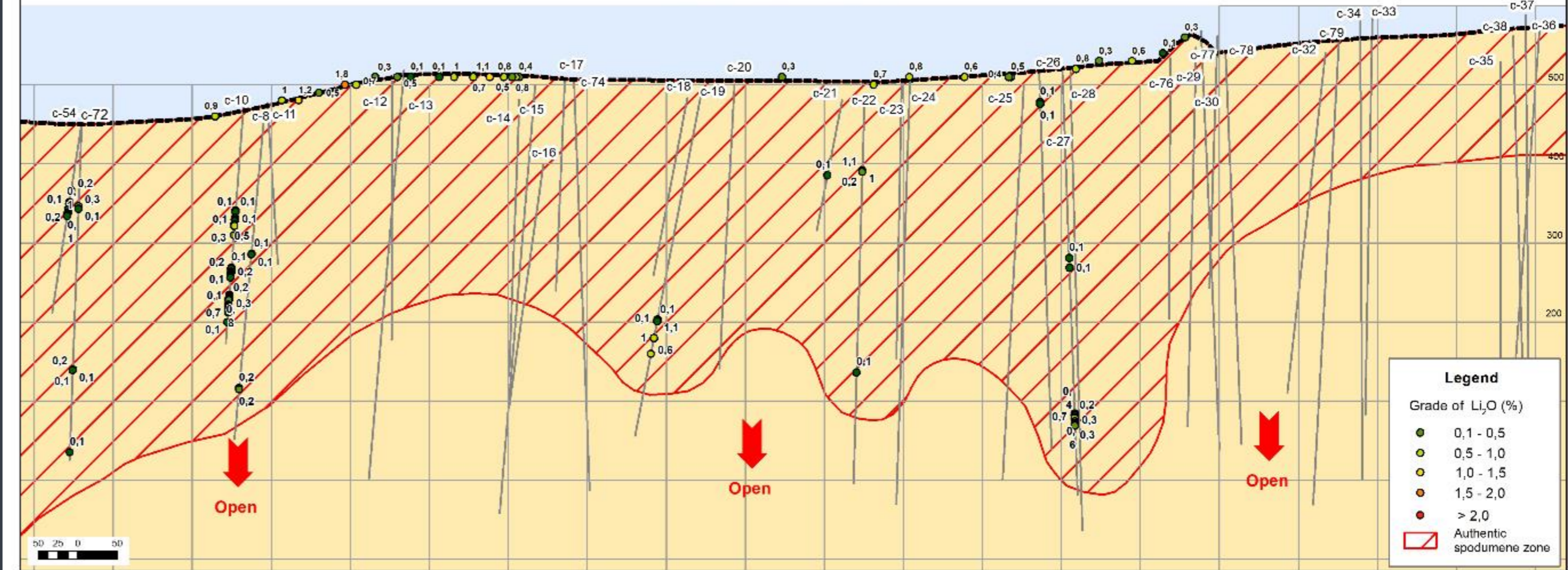
# Bayash Geological Map & Vertical Projection

**BAYASH AREA WITH DRILLHOLES, ORE MINERALIZATION AND RESOURCE INDICATION MAPPING**

scale 1 : 10 000



**Bayash Vertical Projection  
Lithium Mineralization**





# BAYASH: 2023-2024 PROGRESS

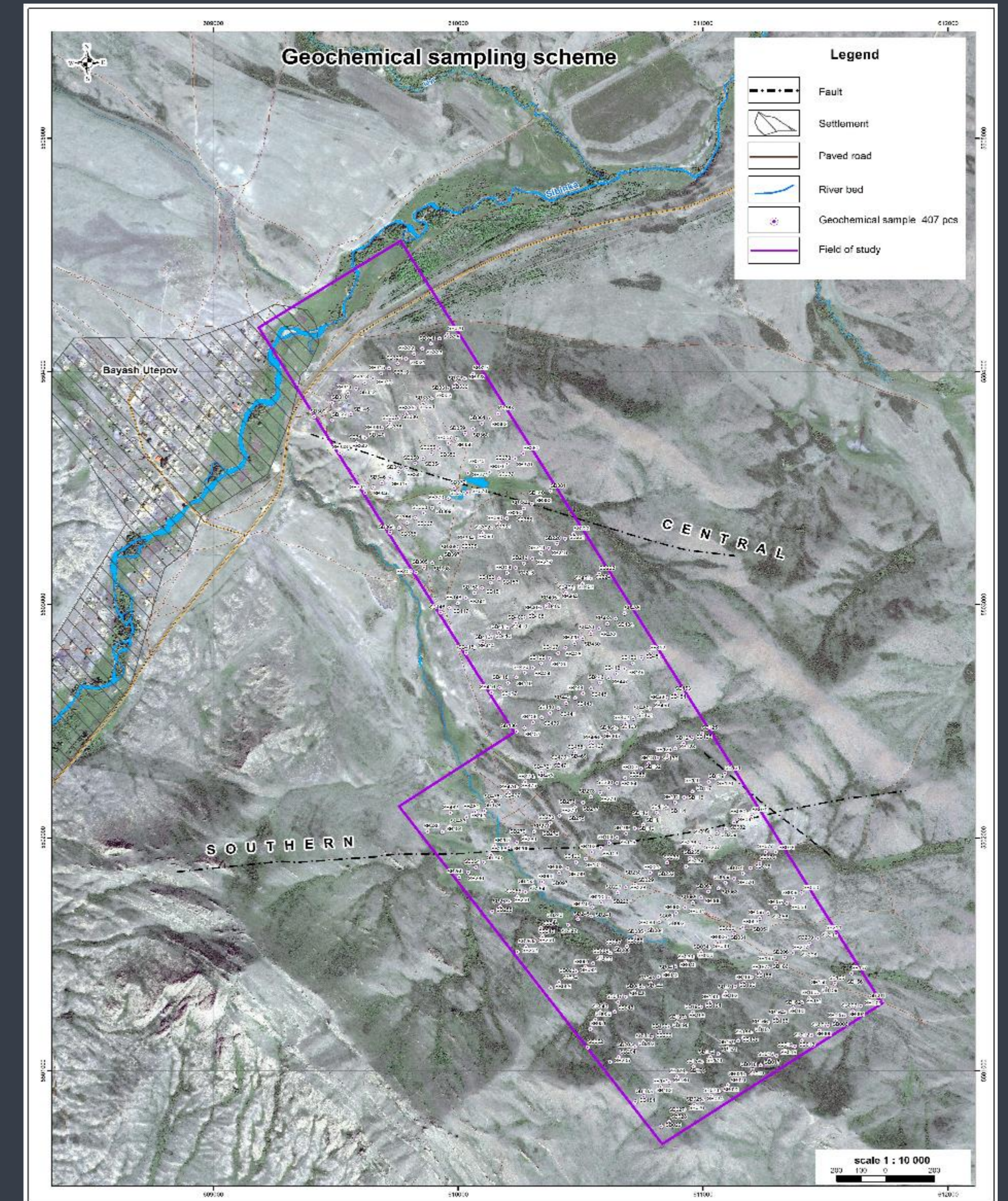
## 2023 Geochemical Program:

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The assay results are expected in March 2024. Dalares will subsequently analyze the assay results statistically and create a Bayash modern geochemical model with the identification of anomalous geochemical fields for detailing the prospecting and exploration of the lithium deposit.





# Dalares Value Proposition

- ✓ 100% privately owned company;
- ✓ Professional team with a track record of delivering projects;
- ✓ Authentic Li mineralization outcropped and observable from the surface with confirmed Ta, Sn, Be, Rb and Cs mineralization;
- ✓ Advanced historical prospects and exploration data;
- ✓ Secured mining license;
- ✓ Short lead time for securing environmental permits;
- ✓ Secured social license to operate;
- ✓ Excellent location - 25 km to the industrial center and infrastructure;
- ✓ Low energy and labor costs in Kazakhstan;
- ✓ Easy access by motor transport using the paved public road.









**For more information:**

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