

## Building a World Class Lithium Producer

London-traded Bacanora Lithium is on track to become a leading supplier of battery grade lithium carbonate to the fast-growing electric vehicle and energy storage sectors. Bacanora has a growing portfolio of advanced world class projects, which provide it with exposure to the major global markets for lithium. This includes the flagship project at Sonora in Mexico which the Company is focused on bringing into production in 2022.



### SONORA: Integrated mine and lithium plant

97,389 Ha licence area, located 190km NE of Hermosillo in northern Mexico, consisting of 10 contiguous concessions\*

Large lithium deposit with 8.8Mt LCE resource\*

Low stripping ratio, open-pit mining, no drill and blast\*

7kms of strike

MIA environmental approvals received and acquisition of 100,000 hectares of land over the project\* and water licence permits granted

Conventional sulphate route process\*

Lithium carbonate offtake in place with Ganfeng and Hanwa

Infrastructure: labour, water, road, rail, port

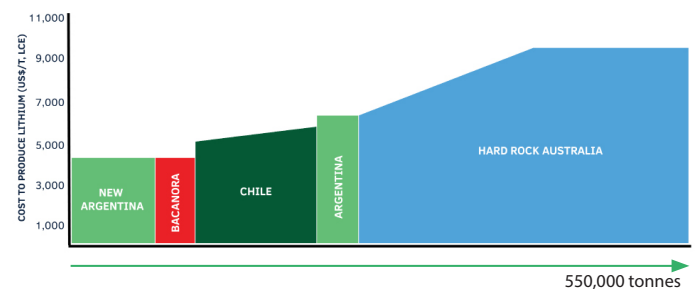


\*Source: Feasibility Study

### LITHIUM: A 21st Century Commodity

Propelled by innovative industries such as electric vehicles, portable energy devices and energy storage for the renewables sector, global demand for lithium is forecast to rise fourfold by 2025. Due to lithium's versatility, there is a major need for scalable, high grade projects like Sonora to be brought into production for supply to match the anticipated strong growth in

### PEER ANALYSIS: Estimated industry cost curve post 2025



## Sonora Project Snapshot:



### One of the larger deposits in the world

Feasibility Study estimated Sonora contains 8.8Mt of lithium carbonate resources



### Among the lowest cost producers in the world

The Project is predicted to produce battery grade lithium carbonate at an average operating cost of US\$4,000/t



### Battery grade products

Bacanora has been producing samples at its own pilot plant continuously for the last four years



### 100% offtake agreements for the mine's production

Hanwa has a 10 year offtake for 50% of Stage 1 production and Ganfeng has offtake for 50% of Stage 1 and up to 75% of Stage 2 production



### Strong economic potential of two stage open-pit operation at Sonora: Stage 1

17,500 tpa for 4 years; Stage 2 - 35,000 tpa

## Feasibility Study in Numbers:

### Stage 1:

Initial Construction Capital Cost of

**\$420M**

### Av. Operating costs

**\$4,000/t Li<sub>2</sub>CO<sub>3</sub>**  
(\$3,418 net of K<sub>2</sub>SO<sub>3</sub> credits)

### Pre-tax

NPV8 of **\$1.25B**

NPV0 of **\$3.4B**

(based on \$11,000/t Li<sub>2</sub>CO<sub>3</sub>)

### Post Tax

NPV8 of **\$802M**

NPV0 of **\$2.37B**

(based on \$11,000/t Li<sub>2</sub>CO<sub>3</sub>)

### Pre-tax IRR

**26%**

### Post-tax IRR

**21%**

### Simple Payback Stage 1

**4 years**

### K<sub>2</sub>SO<sub>3</sub> production

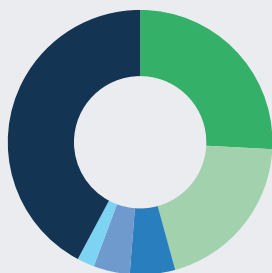
Up to **30,000 tpa**



## ADDITIONAL UPSIDE: Zinnwald Lithium Project

- 50% interest in and joint operational control of Zinnwald
- 35km from Dresden on the Czech Republic border in an historic granite hosted Sn/W/Li belt
- Historically mined for tin, tungsten and lithium over the past 300 years
- NI43-101 FS confirmed strong economic potential: NPV of €428million; Pre-tax IRR of 27.4%; Average LOM annual EBITDA €58.5million
- Total Mineral Reserves (Proven and Probable) of 31.20 million tonnes of ore at a grade of 3,004 ppm containing 94kt of contained lithium

## MAJOR SHAREHOLDERS



GanfengLithium (25.83%)

M&G Investment Funds (19.90%)

Hanwa Co., LTD (5.53%)

Igneous Capital Limited (4.43%)

D&A Income Limited (2.12%)

Other (42.19%)

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