

Building a World Class Lithium Project

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 2020.



SONORA: Integrated mine and lithium carbonate 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 Hanwa

Infrastructure: labour, water, road, rail, port

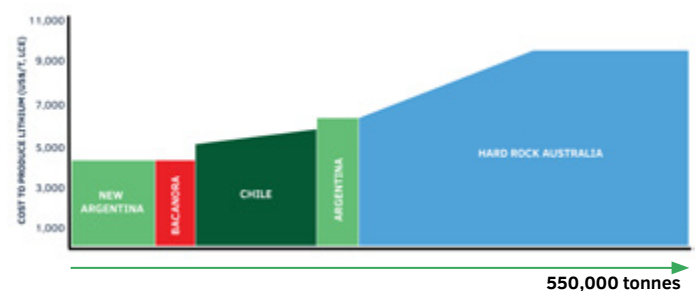


*Source: Feasibility Study

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 demand.

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\$3,910/t



Battery grade products

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



Offtake agreements for the mine's production

- Japanese trading house, Hanwa, which has become a major shareholder, has a 10 year off-take for Stage 1 production
- SGRF, the sovereign wealth fund of the Sultanate of Oman, which has also made a conditional commitment to invest US\$65 million in Bacanora, plus an option for a 10,000tpa off-take for Stage 2



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

3,910 \$/t Li₂CO₃
(\$3,418 net of K₂SO₄ credits)

Pre-tax

NPV8 of **\$1.25B**

NPV0 of **\$3.4B**

(based on \$11,000/t Li₂CO₃)

Post Tax

NPV8 of **\$802M**

NPV0 of **\$2.37B**

(based on \$11,000/t Li₂CO₃)

Pre-tax IRR

26%

Post-tax IRR

21%

Simple Payback Stage 1

4 years

K₂SO₄ production

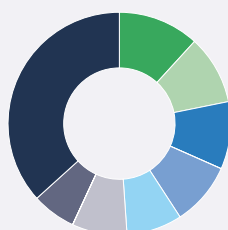
Up to **30,000 tpa**

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
- Feasibility Study underway focused on development of higher value downstream lithium products
- Option to acquire outstanding 50% on completion of Feasibility Study



MAJOR SHAREHOLDERS



Graham Edwards (11.79%)

M&G Investment Funds (10.04%)

Blackrock (9.80%)

Hanwa Co., LTD (9.20%)

Orr-Ewing Estate (8.07%)

Cadence Minerals (8.00%)

The Capital Group (6.40%)

Other (36.70%)



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