



## Developing a World Class Lithium Project

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Sonora Project Summary

September 2020

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# OVERVIEW: SONORA LITHIUM PROJECT

AIM listed company focused on building a 35,000 tpa lithium carbonate operation at Sonora in Mexico



## Large Lithium Deposit

8.8 Mt of LCE resources at Sonora, open-pit mining \* with ~250 year resource life



## Completed Feasibility Study

\$1.25B NPV; 26% IRR \*



## Cost Competitive

~\$4,000/t operating cost \* among the lowest in the industry



## Conventional Processing

4 years of ongoing battery grade (99.9%) lithium carbonate production from Pilot Plant with testwork ongoing for lithium hydroxide product



## Approvals in Place\*

MIA/EIS permits received. Land acquisition completed. Water licence permits granted.



## Lithium Pricing

Low prices in the short term will lead to a reduced investment pipeline, which in turn will lead to an even more dramatic undersupply situation down the line and much higher prices annually\*\*\*



## Experienced Management

Track record in mine development and production



## Ganfeng Lithium Partnership

- Initial cornerstone 29.99% investment by leading producer Ganfeng Lithium at PLC corporate level and 22.5% investment at Sonora project level
- Long term 50% off-take for Stage 1 and 75% off-take for Stage 2



## Other Strategic Partnerships

- 10 year Off-take agreement and equity partnership with Japanese trading group Hanwa for 50% initial 10 years of Stage 1 production
- \$150 million debt finance facility from RK Mine Finance available in 3 tranches subject to CPs



## Rapidly Growing Market

Lithium supply has to increase at a 19% CAGR over the next 6 years to meet 2025 demand. Even at the height of the market, the industry only managed to grow by 11% per year, on average, from 2015-2018\*\*

LOS ANGELES

NOGALES

PORT OF GUAYMAS

SONORA

HERMOSILLO

SONORA LITHIUM

MEXICO

MEXICO CITY

Lithium

Project

Location

Plant & Process

Lithium cost curve

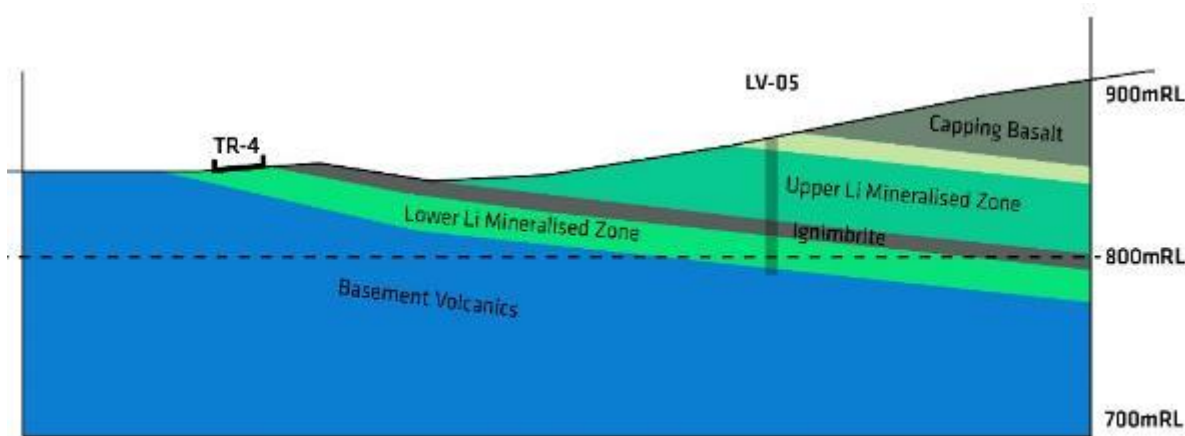
Community



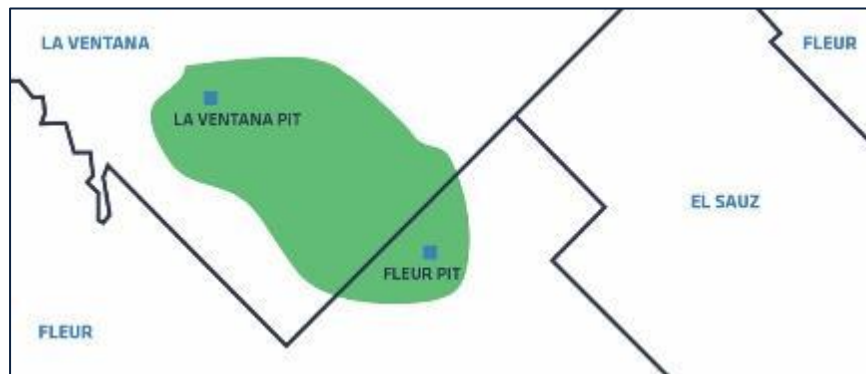
# OUTCROPPING LITHIUM DEPOSITS - COMBINED WIDTH OVER 40 METRES



# SONORA LEASES – EXPLORATION UPSIDE

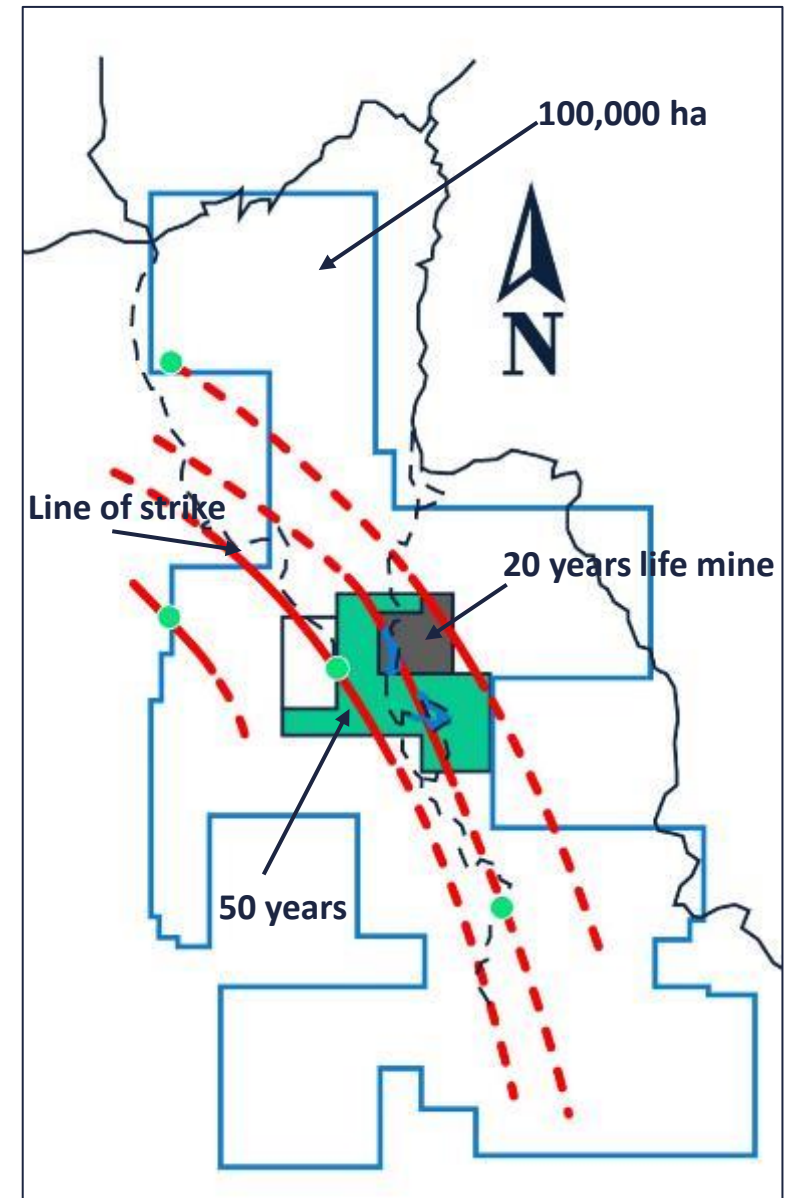


Section A-A' looking Northwest, refer to Figure 24 for Geology Legend



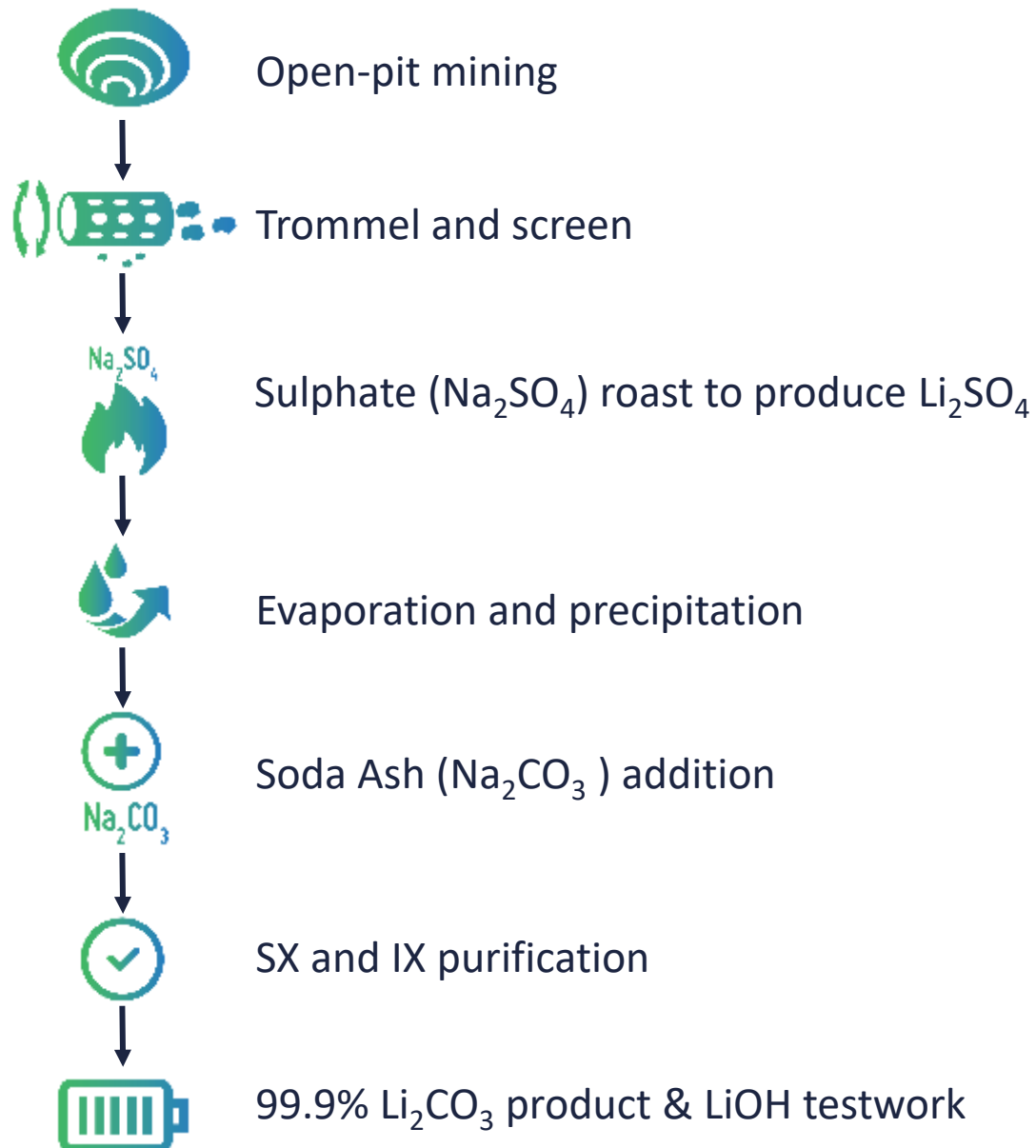
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|---|--|
| LA VENTANA LITHIUM DEPOSIT AND EXTENSION ONTO EL SAUZ & FLEUR | MOV or JV LANDS MEGALIT-BUENAVISTA & SAN GABRIEL CONCESSIONS (70% BCN - 30% REM) |
| LITHIUM SURFACE SHOWING (LI-ppm)                              | BACANORA 100% OWNED CONCESSIONS (LA VENTANA, LA VENTANA 1)                       |
| LITHIUM BEARING MINERALISED BEDS CONTIGUOUS-SEMI CONTIGUOUS   | JV MEXALIT (BACANORA-REM) EL SAUZ & FLEUR CONCESSIONS                            |
| INFERRED EXTENSION  | PRIMARY ROADS  |
|   | SECONDARY ROADS  |

7km





# CONVENTIONAL PROCESSING ROUTE TESTED FOR 4 YEARS WITH PILOT PLANT IN MEXICO PRODUCING 99.9% LITHIUM



# FEASIBILITY STUDY IN NUMBERS



## Stage 1

Initial Construction  
Capital Cost of

**\$420M**

## Pre-tax

NPV<sub>8</sub> of **\$1.25B**

NPV<sub>0</sub> of **\$3.4B**  
(based on \$11,000/t Li<sub>2</sub>CO<sub>3</sub>)

## Pre-tax IRR

**26%**

Simple Payback Stage 1

**4** (years)

Av. Operating costs

**>4,000** \$/t Li<sub>2</sub>CO<sub>3</sub>  
(**~3,500/t** net of K<sub>2</sub>SO<sub>4</sub> credits)

## Post Tax

NPV<sub>8</sub> of **\$802M**

NPV<sub>0</sub> of **\$2.37B**  
(based on \$11,000/t Li<sub>2</sub>CO<sub>3</sub>)

## Post-tax IRR

**21%**

K<sub>2</sub>SO<sub>4</sub> production

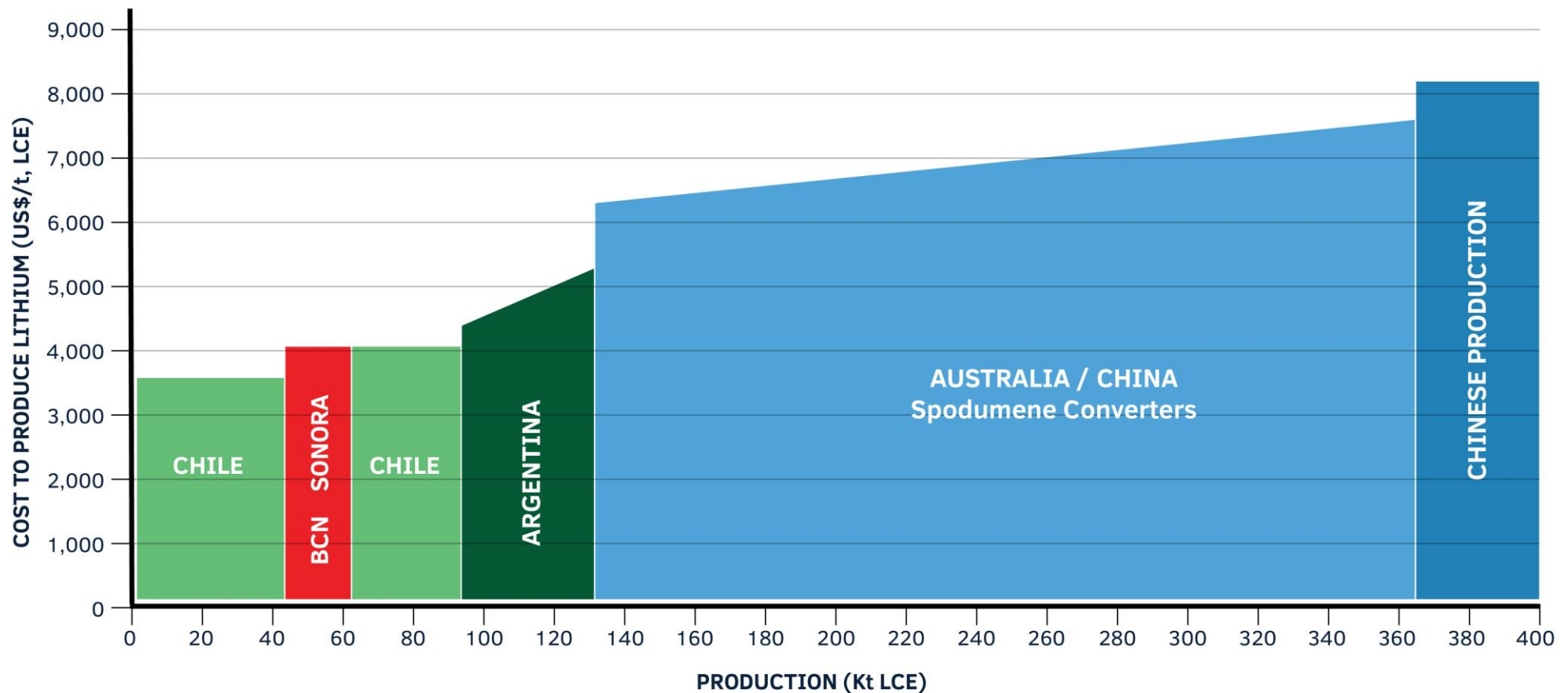
**Up to 30,000 tpa**

Source: See Full Feasibility Numbers in Appendix

# PEER ANALYSIS: ESTIMATED INDUSTRY COST CURVE POST 2025

Favourable position on cost curve

Lithium Producers Operating Cost Curve, 2020



Source: (\*Canaccord April 2018, BCN 43-101)