



Sigma Reports 2020 Second Quarter Results and Reaches Pivotal Milestones Towards Construction

VANCOUVER, British Columbia, September 1, 2020 - SIGMA Lithium Resources Corporation (“**Sigma**” or the “**Company**”) (TSX-V: **SGMA**) (OTC- QB: **SGMLF**) reported financial and operating results for the second quarter ended June 30, 2020. The Company reached major milestones despite the challenging circumstances created by the global pandemic and a very poor pricing environment in lithium markets.

Sigma completed raising the equity funding required to build the Grota do Cirilo Project (the “**Project**”). On August 12, 2020 Sigma closed a non-brokered private placement and has issued 8,285,200 common shares at a price of C\$2.15 per share for gross proceeds of approximately US\$13.3 million (the “**Offering**”). The Offering was upsized from US\$10.0 million initially announced due to strong institutional investor demand. Sigma also signed a term sheet for a US\$45 million senior secured project finance facility with Societe Generale, which is subject to customary closing conditions. These amounts will be complemented by US\$ 27 million that remains to be disbursed under a production pre-payment agreement with Mitsui & Co. Ltd. to fully fund the Project.

Sigma also signed with Duro Felguera (“**DF**”) a contract for front-end engineering design, which includes an agreement for DF to offer Sigma its engineering, procurement and construction (“**EPC**”) services (the “**FEED Contract**”) with a multi-currency lump sum turnkey guaranteed maximum price in US Dollars and Brazilian Reais (the “**Multicurrency GMP**”), structured to capture procurement savings resulting from the 40% devaluation of the Brazilian Real in 2020. Primero Group Americas Inc. was the nominated engineering firm in the FEED Contract. Subsequently, Sigma received a letter of intent from the Spanish export credit agency CESCE to supply financing for up to 85% for the FEED Contract.

The Project will be designed to produce 220,000 tonnes per year of high purity battery grade 6% lithium concentrate in its first phase (the “**First Phase of Production**”), followed by an additional 220,000 tonnes per year in its second phase estimated to initiate in 2023 (the “**Second Phase of Production**”), doubling the planned production capacity of the Company to 440,000 tonnes per year.

“The merit for Sigma’s exceptional achievements during these unprecedented times belongs to the entire team. Their unwavering commitment to take Sigma to production and bring economic prosperity to the impoverished Jequitinhonha valley drove them to give their very best and to never relent, even in the most trying moments. Our agile and non-hierarchical corporate culture continued to foster superb collaboration across all areas, providing Sigma with unique speed to simultaneously tackle multiple execution workstreams.” Said Ana Cabral-Gardner, Co-Chairman and Chief Strategy Officer of Sigma.

“I would personally like to recognize the outstanding contribution our team continues to make to the success of the project for the benefit of all stakeholders.” Added Calvyn Gardner, Co-Chairman and CEO of Sigma.

NEXT STEPS FOR SIGMA IN 2020

The Company's plans for the next four months are as follows:

- Initiate the detailed engineering for constructing the Project's plant, mine and associated infrastructure for the First Phase of Production, where engineering contractors will:
 - Finalize a selected set of engineering deliverables to achieve 30% engineering definition
 - Advance long lead and critical equipment procurement to "Ready for Award" contract status
 - Advance site preparation (civil works) and complete the contracting strategy for construction
 - Optimize and reduce the contingency applied to the Multicurrency GMP to determine a fixed price "lump sum turnkey cost" for the EPC of the commercial processing plant and associated process infrastructure
 - Obtain a complete and firm proposal for the EPC contract and execute the EPC contract
- Following the approval of the study Plano de Aproveitamento Economico ("PAE") for the Project's second deposit, Sigma will accelerate the first steps of the Second Phase of Production, which is estimated to come onstream in 2023:
 - Initiate the environmental licensing process by conducting the environmental impact study for the deposit and filing it with the environmental agency in the state of Minas Gerais
 - Finalize a pre-feasibility study for the deposit, validating its economic potential and the estimates for production costs outlined in the PAE using the parameters of Canada's National Instrument 43-101
- Conclude formalizing the binding take or pay agreement with Mitsui & Co. Ltd for the First Phase of Production, increasing it to 160,000 tonnes per year of lithium concentrate.
- Although Sigma has secured the funding package for the development of the First Phase of Production, subject to finalizing certain agreements, the Company plans to continue to work closely with the Brazilian financial institutions with which it has been in discussions to access funding to potentially accelerate the Second Phase of Production.

SECOND QUARTER 2020 FINANCIAL RESULTS

Sigma's financial statements and MD&A for the three and six months ended June 30, 2020 were filed on SEDAR on August 28, 2020.

Selected consolidated financial information is presented as follows:

<i>(in CAD \$ except per share information)</i>	Three months ended June 30, 2020	Three months ended June 30, 2019
General and administrative expenses	(445,626)	(1,633,794)
Foreign exchange gain	544,846	312,301
Other expenses	(240,815)	(86,961)
Net Loss	(141,595)	(1,408,454)
Cumulative currency translation adjustment	(724,454)	(205,999)
Net loss and comprehensive loss	(866,049)	(1,614,453)
Loss per common share - basic and diluted	0.00	(0.02)

	June 30, 2020	December 31, 2019
Cash and cash equivalents	150,316	103,640
Exploration and evaluation assets	17,801,865	19,388,092
Other assets	1,098,955	1,435,466
Total Assets	19,051,136	20,927,198
Suppliers	2,682,165	2,966,609
Debits with related parties	5,457,833	4,790,861
Deferred revenue	4,007,100	4,007,100
Other liabilities	243,247	423,353
Total Liabilities	12,390,345	12,187,923

- The significant reduction in net loss on a year-over-year basis was mainly due to cost saving initiatives by management.
- The devaluation of the Brazilian Real led to a foreign exchange gain due to its' positive impact on Real-denominated liabilities. It also led to a negative cumulative currency translation adjustment, which was added to comprehensive loss. The latter resulted mostly from the devaluation's negative impact on the value of exploration and evaluation assets, which are held by Sigma's wholly owned Brazilian subsidiary Sigma Mineracao S.A. ("SMSA") and are denominated in Brazilian Reais.
- At June 30, 2020, the Company's liabilities consisted mostly of (i) C\$2.7 million in payables and accrued interest owed to suppliers, (ii) C\$4.0 million in deferred revenue, which was received from Mitsui & Co. Ltd. as an initial disbursement under the abovementioned offtake agreement; and (iii) C\$5.5 million in debits with related parties. Debits with related parties included primarily C\$2.3 million in the balance and accrued interest of a note payable issued for the acquisition of a remaining 11% interest in SMSA; and C\$2.6 million in amounts drawn, fees and accrued interest on a credit facility with the A10 Group (a group of companies owned by certain directors of the company) (the "**A10 Credit Facility**").
- At June 30, 2020, the company had C\$0.15 million in cash and cash equivalents. The A10 Credit Facility, which was set up on November 29, 2019 at US\$5 million for a one-year term, had US\$3.5 million still undrawn. Also, on June 30, 2020, Sigma's balance sheet did not reflect the cash inflows and subsequent results of the abovementioned Offering, which was completed in August and had gross proceeds of US\$13.3 million.

INDEPENDENT QUALIFIED PERSON

The technical and scientific information in this press release has been reviewed and approved by Marc Antoine Laporte, P.Geo., M. Sc., of SGS Canada Inc. Mr. Laporte is a Qualified Person as defined by National Instrument 43-101 and is independent of Sigma.

ABOUT SIGMA LITHIUM

Sigma is a Canadian company and has been producing environmentally sustainable battery-grade lithium concentrate on a pilot scale since 2018 and shipping high-quality above 6% Li₂O coarse lithium concentrate samples to potential customers in Asia. Based on the technical report titled "Grota do Cirilo Lithium Project, Araçuaí and Itinga Regions, Minas Gerais, Brazil, National Instrument 43-101 Technical Report on Feasibility Study Final Report", dated October 18 2019 and with an effective date of September 16th, 2019, a larger-scale lithium concentration commercial production plant will contemplate a capacity of 220,000 tonnes annually of

battery-grade low-cost lithium concentrate and Sigma will be amongst the lowest-cost producers of lithium concentrate globally.

To secure a leading position supplying the clean mobility and green energy storage value chain, Sigma has adhered to the highest standards of environmental practices in line with its core values and mission since starting activities in 2012. Sigma's production process is powered by hydroelectricity and the Company utilizes state-of-the-art dry-stacking tailings management and water-recycling techniques in its beneficiation process. Its corporate mission is to execute its strategy while embracing strict ESG principles. Sigma's shareholders include some of the largest ESG-focused institutional investors in the world.

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FORWARD-LOOKING STATEMENTS

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation including statements relating to the ultimate duration, impact and severity of the COVID-19 pandemic (including its impact on financial markets and national and multinational economies generally, and its impact on the growth of the electric vehicle market and other impacts on the demand for lithium products) and other forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. All statements that address future plans, activities, events, or developments that the Company believes, expects or anticipates will or may occur are forward-looking information, including statements regarding the potential development of resources and drilling plans which may or may not occur. Forward-looking statements and information contained herein are based on certain factors and assumptions regarding, among other things, the ability to complete the Annual Filings and Interim Filings; the market price of the Company's securities, metal prices, exchange rates, taxation, the estimation, timing and amount of future exploration and development, capital and operating costs, the availability of financing, the receipt of regulatory approvals, environmental risks, title disputes, litigation risks, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, claims and limitations on insurance coverage and other risks of the mining industry, changes in national and local government regulation of mining operations, and regulations and other matters including the COVID-19 pandemic. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For more information on the risks, uncertainties and assumptions that could cause our actual results to differ from current expectations, please refer to our public filings available at www.sedar.com.

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