



## **Sigma Lithium Announces a C\$30 million Private Placement of Common Shares at C\$4.00**

**VANCOUVER, British Columbia, February 2, 2020** -- **SIGMA Lithium Resources Corporation** (“Sigma” or the “Company”) (TSXV: SGMA) (OTC-QB: SGMLF) is pleased to announce that it intends to complete a non-brokered private placement of up to 7,500,000 common shares of the Company (“Common Shares”) to be issued at a price of C\$4.00 per Common Share for aggregate gross proceeds of up to C\$30 million (the “Offering”). Institutional investors, including leading global investors focused on ESG & sustainability, are expected to comprise the majority of the investors in the Offering. The closing of the Offering is subject to customary conditions, including the receipt of all necessary approvals, including the approval of the TSX Venture Exchange (the “TSXV”).

XP Investments US LLC, Cormark Securities Inc. and National Bank Financial Inc. acted as financial advisors to the Company and may receive a finder’s fee in respect of certain orders. This compensation will be comprised of (i) cash fees of up to 6% of the proceeds from subscribers introduced by finders and (ii) such number of warrants as is equal to up to 6% of the Common Shares purchased by such introduced subscribers (each such warrant entitling the finder to acquire one Common Share at an exercise price of C\$4.00 per share and exercisable for one year after closing of the Offering). Other parties, including the A10 Group, shall also receive a finder’s fee in connection with the Offering.

In this regard, the Company has entered into an agreement with the A10 Group to provide services in respect of the Offering, and A10 Group will be entitled to finder’s compensation for purchases by subscribers it introduces.

The Company intends to use the net proceeds of the Offering as outlined below and for general corporate purposes. The expected specific uses of net proceeds are:

1. To fund the workstreams added in December 2020 aimed at upsizing the Grota do Cirilo lithium project (the “**Project**”), solidifying Sigma’s unique market leadership as a future supplier of “low-carbon” high-purity 6% battery-grade lithium concentrate, as set out in the December 7, 2020 press release “Sigma is Awarded Development Bank Credit Line on ESG Attributes and Reports Third Quarter Results”, under the section “Operational and ESG Highlights”:
  - Development of Phase 2 production (the Barreiro deposit) planned for 2023: the preparation of a pre-feasibility study (and subsequently a feasibility study) to update the technical report of the Project titled “Grota do Cirilo Lithium Project, Araçuaí and Itinga Regions, Minas Gerais, Brazil, National Instrument 43-101 Technical Report on Feasibility Study Final Report” with an effective date of September 16, 2019 (the “**Feasibility Study Report**”) to include Phase 2 in addition to Phase 1 (the development of the Xuxa deposit).

- Pre-development of Phase 3 production planned for 2024-2025: (i) a 20,000-meter diamond drilling programme aimed at adding mineral resources in line with National Instrument 43-101 criteria; and (ii) the preparation of a preliminary economic assessment study, which is also to be used to update the Feasibility Study Report.
  - Funding an ongoing comprehensive set of environmental and social programs established by the Company, which aims to implement actions to proactively mitigate, prevent, control and compensate for the environmental impacts that could eventually be caused by the mining activity to be carried out by Sigma. The Company designed these programs based on the United Nations Sustainable Development Goals – UN-SDGs.
2. In order to enhance Sigma’s financial flexibility during construction and increase the the maximum amount that could be drawn under the Company’s project finance facility with Société Générale (“**Project Finance**”) from US\$45 million to US\$50 million, the Company plans to direct US\$5 million from the proceeds of the Offering to its savings account at National Bank, adding to the US\$10 million currently reserved as the equity component of the Project Finance. This would bring the total equity set aside by the Company for the Project Finance to US\$15 million. This follows the signing of a term sheet for the Project Finance in June 2020 (June 29, 2020 press release “Sigma Announces US\$45 Million Project Finance Facility with Societe Generale”).

Certain principals of the A10 Group are directors, officers or indirect significant shareholders of the Company, such that the arrangements with the A10 Group in respect of the Offering is a related party transaction for purposes of Multilateral Instrument 61-101 *Protection of Minority Securityholders in Special Transactions* and Policy 5.9 of the TSXV (which incorporates such Multilateral Instrument by reference). These arrangements are exempt from the formal valuation and minority shareholder approval requirements of such Multilateral Instrument and TSXV Policy because the value of the transaction and the compensation are below 25% of the Company’s market capitalization. The arrangements with the A10 Group were considered and unanimously approved by each of the directors of the Company unrelated to the A10 Group.

The Common Shares to be issued under the Offering will also be sold to United States buyers on a private placement basis pursuant to an exemption from the registration requirements in Rule 144A of the United States Securities Act of 1933, as amended (the “**1933 Act**”), and other jurisdictions outside of Canada provided that no prospectus filing, or comparable obligation arises.

The Offering is scheduled to close on or about February 10, 2021 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange and the securities regulatory authorities.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act and may not be

offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and the application of state securities laws.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Common Shares under the Offering, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

## **ABOUT SIGMA LITHIUM**

Sigma is a Canadian company that has been producing environmentally sustainable battery-grade lithium concentrate on a pilot scale since 2018 and shipping high-purity “green & sustainable” 6% Li<sub>2</sub>O battery-grade lithium concentrate samples to some of the leading global cathode and battery producers of electric vehicles. The company is in pre-construction (including the EPC and “contract-readiness” of core construction suppliers) of its larger-scale lithium concentration commercial production plant. Based on the Feasibility Study Report, it will contemplate a capacity to produce at the rate of 220,000 tonnes annually of battery-grade “green” lithium concentrate and Sigma will be amongst the lowest-cost producers of lithium concentrate globally. The Feasibility Study Report is being updated to include the development of the Project’s second deposit, contemplating production at the rate of 440,000 tonnes per annum (Phase 2 of the Project).

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.

## **FOR ADDITIONAL INFORMATION PLEASE CONTACT**

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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 closing of the Offering, expected use of net proceeds and TSXV approval. 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, receipt of all necessary approvals to complete the Offering, 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](http://www.sedar.com).

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.**