



## Sigma Announces US\$45 Million Project Finance Facility with Societe Generale

### Green Project Finance Will Include Environmental & Social Covenants in Accordance with Equator Principles

VANCOUVER, British Columbia, June 29, 2020 -- SIGMA Lithium Resources Corporation (“Sigma” or the “Company”) (TSX-V: SGMA) (OTC- QB: SGMLF) is pleased to announce the signing of a term sheet for a US\$45 million senior secured project finance facility (the “Bank Project Finance Facility”) to be led by Societe Generale. The Bank Project Finance Facility will be used for the construction and development of the Company’s world class and green lithium Grota do Cirilo project in Minas Gerais, Brazil (the “Project”). Sigma anticipates being construction-ready in 4Q 2020 (please refer to the Company’s June 15<sup>th</sup>, 2020 press release for a comprehensive Project update). The consummation of the Bank Project Finance Facility remains subject to completion of due diligence, credit approval, the negotiation of definitive documentation and other customary closing conditions.

### FINANCING PACKAGE HIGHLIGHTS

The Bank Project Finance Facility is expected to comprise the majority of the funding required for the construction of the Project, currently estimated to be US\$ 74 million. The Bank Project Finance Facility contemplates a six-year term (including a two-year grace period for principal amount) and a borrowing rate of USD LIBOR plus 5%, declining to LIBOR plus 4.5% after the project reaches completion. The Bank Project Finance Facility will be complemented with the US\$27 million that remains to be disbursed under a production pre-payment facility with Mitsui & Co (the “Pre-Payment”, whose Heads of Agreement was signed on April 5, 2019), and approximately US\$10 million in an equity contribution to satisfy the Bank Project Finance Facility’s total funding requirements.

The Bank Project Finance Facility and the Pre-Payment are expected to close concomitantly in Q4 2020 subject to the completion of detailed engineering and the execution of an EPC lump sum turnkey contract (the “EPC Contract”) reflecting the fixed price committed by Duro Felguera S.A. for the EPC of the Project.

### PROJECT ADHERENCE TO IFC PERFORMANCE STANDARDS AND EQUATOR PRINCIPLES

Société Générale is a signatory of the Equator Principles, which are a set of rules providing a framework for Environmental and Social (“E&S”) risk evaluation and management in project financing. As a result of the alignment of these with Sigma’s corporate mission, the Company has committed to adhere to the Equator Principles and conduct an E&S impact assessment that will address the relevant impacts and risks in reference to local and international standards, including the applicable IFC Performance Standards and Environmental, Health and Safety Guidelines. E&S covenants will be included in the Bank Project Finance documentation, in accordance with market practice.

Cormark Securities Inc. is acting as financial advisor to the Company in connection with the Bank Project Finance Facility.

*“Sigma is an impact ESG investment and the Grota do Cirilo Project will be a green lithium mining operation: with dry stacking of tailings, 100% green hydroelectricity and recycling of 90% of the water used. Thus, we have significant alignment of purpose with Société Générale, a global leader in ESG and green financing, and we are delighted to have them leading our project finance facility.”* said Chief Strategy Officer Ana Cabral-Gardner.

*“The comprehensive financing plan will enable Sigma to transition the Grota do Cirilo Project in Brazil into the next global low-cost lithium producer, further strengthening its low break-even price competitive advantage to both withstand and thrive in future market cycles. The Bank Project Finance marks another important step, putting in place the foundation of a low cost and sustainable capital structure and substantially enhancing Sigma’s financial flexibility to manage construction and production ramp-up”.* She added.

### ABOUT SIGMA LITHIUM

Sigma is a Canadian company and produces environmentally sustainable battery-grade lithium concentrate on a pilot scale since 2018, shipping high-quality above 6% Li<sub>2</sub>O 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 16<sup>th</sup>, 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.

#### **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 timing for the filing of the quarterly continuous disclosure documents 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](http://www.sedar.com).*

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