



Sigma Lithium Announces a Strategic Alliance with Mitsui and the Receipt of First Tranche Funding

Alliance includes production pre-payment, offtake rights, logistics, global marketing, and further mineral development

Sigma will host an investor call Wednesday April 10th 2019 at 11 a.m. (EST).

Conference Link: <https://sigmalithium.clickmeeting.com/investor-call>

Dial in:

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VANCOUVER, British Columbia, April 5th, 2019 - SIGMA Lithium Resources Corporation (“Sigma”) (TSX-V: SGMA) (OTC-QB: SGMLF) is pleased to announce that it has entered into a binding heads of agreement (the “Agreement”) for a strategic transaction (“Transaction”) with Mitsui & Co., Ltd. of Japan (“Mitsui”) for a significant portion of the funding required for the capital expenditures and construction of Sigma’s commercial production plant at its Grota do Cirilo lithium project in Brazil. Sigma is also pleased to announce that it has received the initial tranche payment as per the Agreement.

Pursuant to the Agreement, Mitsui and Sigma have agreed as follows:

- **Production Pre-Payment:** Mitsui will pre-pay Sigma the amount of US\$30,000,000 (“Pre-Payment”) for battery-grade lithium concentrate (“Products”) supply of up to 55,000 tonnes annually over six years, extendable for five years. The initial tranche payment of US\$3,000,000 has been received by Sigma, while the disbursements of the remaining tranches are subject to customary conditions.
- **Offtake Rights:** Mitsui has the right to annually buy from Sigma, at then-prevailing market prices, a supplementary amount of 25,000 tonnes of Products over a period of six years, extendable for five years.
- **Advancement of Deposit for Long-Lead Items:** Mitsui will support Sigma in meeting its construction timetable by negotiating the terms of a disbursement of up to US\$7,000,000 that will be used for the deposits required to purchase long lead items for the construction of the

commercial production plant. Such payments are subject to Mitsui's approval and will be deducted from the overall Pre-Payment.

- **Strategic Collaboration:** Mitsui's and Sigma's technical, logistics and marketing teams will leverage Mitsui's considerable global logistics and battery materials marketing expertise, whereby Sigma grants to Mitsui logistics, transportation and certain additional marketing and distribution rights to the Products. Both companies have also agreed to continue their current discussions regarding additional funding for further exploration and development of Sigma's vast mineral properties.
- **Mitsui's Participation in Sigma's Future Capital Expenditure Financings and Offtake Rights for Production Expansion:** As more fully described below, Mitsui will have the right to purchase a portion of future production expansion at the Grota de Cirilo project if it provides a relevant portion of the capital expenditure funding for the expansion.

Sigma Chairman and Chief Executive Officer Calvyn Gardner says: *"We are very pleased to welcome Mitsui as our new strategic offtake and funding partner to accelerate the development of our Grota do Cirilo project. Both of our companies share the same vision regarding the growth in the battery metals value chain as well as commitment to supply the world with clean energy. We look forward to working closely with Mitsui and we will be exploring other opportunities to join forces in the future. Furthermore, we have long believed that the right partnerships bring critically important benefits to the local communities of the Jequitinhonha Valley in Minas Gerais and to our shareholders. There are many opportunities to enhance and grow our project for the mutual benefit of all stakeholders."*

Mitsui's Right to Participate in Sigma's Future Capital Expenditure Financings for Production Expansion

Based on the initial design being considered under Sigma's ongoing feasibility study ("FS"), the lithium concentration plant will have an initial processing capacity of 1,500,000 tonnes of spodumene ore per year. That plant design currently contemplates a capacity of 220,000 tonnes of battery-grade spodumene concentrate annually. Sigma believes that there is significant potential to economically expand production capacity based on the preliminary metallurgical analysis of the Barreiro deposit and the magnitude of its measured and indicated resources. If the ongoing FS suggests doing so, it would be Sigma's intention to carry out a further feasibility study to include the Barreiro deposit as a first step towards increasing the project's production capacity to 440,000 tonnes per year in the future (the "**Production Expansion**").

Subject to the parties agreeing to a financing proposal, whereby Mitsui provides a relevant portion of the second stage financing, Mitsui would receive the rights to purchase a portion of the Production Expansion.

Sigma Chief Strategy Officer Ana Cabral says: *"The production pre-payment is a hybrid financing instrument that strengthens Sigma's capital structure. It is classified by most rating agencies as an 'equity-like-instrument' due to its settlement structure in products. As a result, it represents the ideal funding facility as it does not impact the leverage ratios of Sigma and does not dilute its shareholders. The pre-payment provides Sigma with significant flexibility to fund the remaining portion of its capex with debt instruments. Sigma's ability to secure a pre-payment of this magnitude for its future production demonstrates the confidence that Mitsui, one of the largest trading companies in the world, has in Sigma's ability to timely produce and deliver high-quality lithium products."*

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 developing a leading lithium hard-rock deposit with exceptional mineralogy at its Grota do Cirilo project in Brazil.

Sigma started to produce battery-grade lithium concentrate on a pilot scale in 2018, shipping bulk samples to potential customers from its Phase I Production Plant. Based on the initial design being considered under the FS, a larger scale lithium concentration plant will contemplate a capacity of 220,000 tonnes of battery-grade spodumene concentrate annually. If recommended in the FS and required funding is obtained, Sigma would seek to begin construction by the end of the second quarter of 2019 and to become a fully-operational sustainable lithium producer in 2020.

Sigma's lithium minerals output is destined for the fast-growing lithium-ion battery market, which is driven by the increasing demand for electric vehicles and energy storage worldwide. Our corporate mission is to execute our strategy while embracing best in class environmental, social, and governance ("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 contains forward-looking statements relating to Sigma's objectives, the potential for increased resources, concentration plant construction and expected production levels, achieving sustainable production and other statements that are not historical facts. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied

by such forward-looking statements. These assumptions, risks and uncertainties include, among other things: the state of the economy in general and capital markets in particular, the availability of project financing on reasonable terms, investor interest in the business and future prospects of Sigma and the settlement of definitive off-take and other commercial agreements.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, Sigma disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, Sigma undertakes no obligation to comment on the expectations of, or statements made, by third parties in respect of the matters discussed above. The key risks and uncertainties that could cause actual results or the material factors and assumptions applied in preparing forward-looking information to differ materially from predictions, forecasts, projections, expectations or conclusions are discussed in the “Risk Factors” section of Sigma’s Filing Statement dated April 25, 2018. We caution that the foregoing list is not exhaustive of all possible factors.

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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