

AIM-listed lithium development and exploration firm with assets in Mexico and Germany

Overview

- Principal asset is the Sonora Lithium Project located in NW Mexico, 170km south of USA
- Post-tax NPV8 of US\$802m based on \$11,000/t Li₂CO₃ with upfront capex of US\$420m.
- Project consists of seven concessions, with La Ventana owned 99.9% by Bacanora; remainder held in JV with Cadence minerals comprising 70% ownership by Bacanora
 - 19-year mine plan producing 17.5ktpa battery-grade Li₂CO₃ over four-year open-pit Stage 1 period, followed by Stage 2 expansion by duplication plant to produce minimum target output of 35ktpa Li₂CO₃
 - Plant additionally designed to produce up to 28.8ktpa K₂SO₄ in Phase 2
 - Average LOM operating costs \$3,910/t Li₂CO₃ (\$3,418/t Li₂CO₃ net of K₂SO₄)
- Pilot plant established in 2015 has provided a training ground for employees and demonstrated that BCN has a viable flowsheet capable of producing battery quality lithium carbonate.
- Only small portion of resource exploited under current plan. Indicates plant can be scaled up to meet strong growth expectations of the lithium market.
- Board-approved ESG policy with strong independent director representation on Board and HSEQ Manager reporting directly to site GM.

Chinese Strategic Partner: Ganfeng

- Ganfeng Lithium made a £14m strategic investment for a 29.9% equity interest in Bacanora in Oct 2019 and a 22.5% stake at the project level for £7.6m.
- Long-term offtake at market-based prices for 50% of Li production in Stage 1 and up to 75% of Stage 2 production.
- Ganfeng taking an active role in project management and engineering to optimize the project, potentially reduce capital costs and de-risk commissioning.
- M&G followed up with a £7.7m investment acquiring 19.9% of Bacanora in Nov 2019, with proceeds used to support pre-construction works at Sonora.

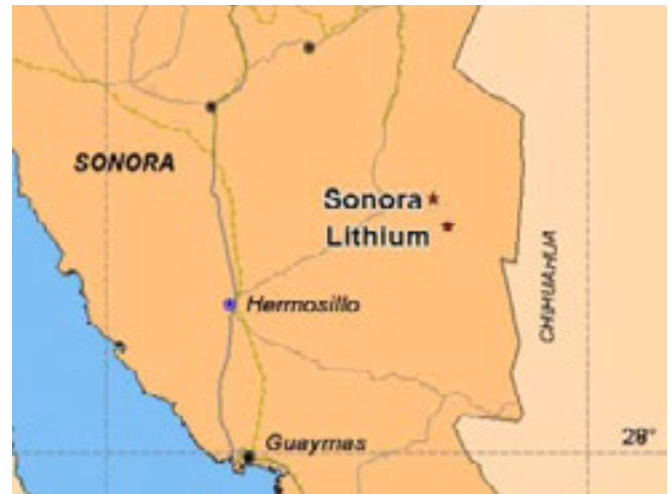
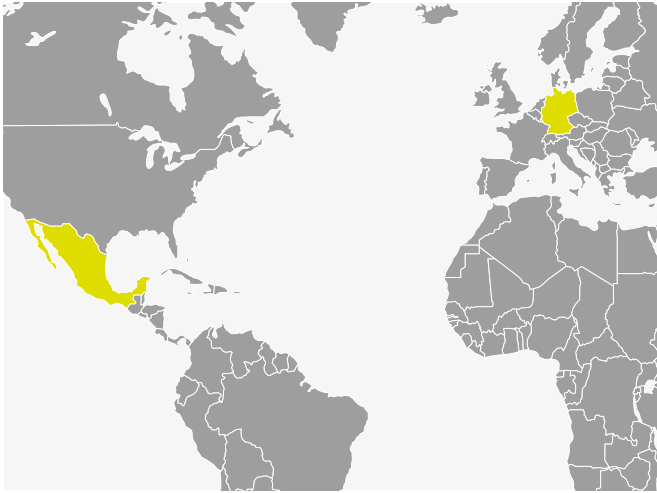
Secondary Asset; Zinnwald

- Zinnwald site located 35km south of Saxony's state capital, Dresden, adjacent to Czech border - feasibility study completed June 2019 indicating post-tax NPV8 of €270m with €159m initial construction capex based on €22,000/t LiF.
- Annual average LiF production 5.1ktpa with 32ktpa K₂SO₄ with LOM operating costs of €13,058/t LiF.

Reserves and Resources (Dec 2018)

	Tonnes (Mt)	Li (ppm)	K (%)	Li ₂ CO ₃ equiv (kt)
Sonora				
Measured	103	3,480	1.5%	1,776
Indicated	188	3,120	1.3%	2,345
Inferred	268	2,650	1.2%	3,220
Total	559			7,341
Zinnwald				
Measured	19	36,30	-	67
Indicated	17	3,399	-	58
Inferred	5	3,549	-	17
Total	41	3,523	-	142

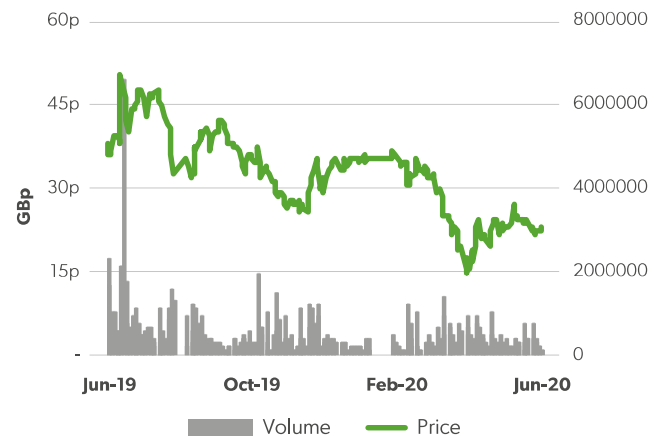
Sites



Financial Performance

Values in US\$m unless otherwise stated

Share Price (GBP)	23
Share Price (US¢)	29
Shares Outstanding (m)	223.0
FDSO	223.0
Market Cap	64.7
Debt	24.1
Cash & Equivalents	48.9
Enterprise Value	39.8



Key Shareholders and Management

Firm	Stake
Ganfeng Lithium	25.8%
M&G	19.9%
Hanwa Co	5.5%
Igneous Capital	4.4%
D&A Income	2.1%

Individual	Position
Mark Hohnen	Chairman
Peter Secker	CEO
Janet Blas	CFO
Eric Carter	Project Director