

# Sigma Lithium Announces a Term Sheet for an Offtake Agreement and a Pre-Payment Financing with Mitsui

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**Investor Call to be held on Friday November 30th, 2018 at 10:30 a.m. (EST).**

VANCOUVER, Nov. 28, 2018 - [SIGMA Lithium Resources Corporation](#) ("Sigma" or the "Corporation") (TSX-V: SGMA) announces the signing of a term sheet for an offtake agreement ("Term Sheet") with Mitsui & Co., Ltd. of Japan ("Mitsui"). On the terms and subject to the conditions set forth in the Term Sheet, Mitsui would provide a pre-payment facility ("Pre-Payment Financing") for a portion of the funding required to advance the construction of Sigma's commercial production plant, in exchange for offtake rights to purchase a fixed volume of Sigma's spodumene concentrate annual production. The consummation of the transactions contemplated by the Term Sheet remains subject to the negotiation of definitive documentation and other customary closing conditions.

"We are delighted with this first step in establishing a strategic offtake partnership with Mitsui, as we both share the same vision regarding the development of the value chain of battery metals globally. We have long believed that the right partnerships bring important and critical intangible benefits to Sigma, to the local communities of the Jequitinhonha Valley in Minas Gerais and to our shareholders", declared Calvyn Gardner, Chairman and Chief Executive Officer of Sigma.

## Highlights of Term Sheet

- **Pre-Payment Financing:** Mitsui and Sigma have agreed on certain preliminary terms and conditions by which Mitsui would provide Sigma with a US\$30 million pre-payment facility in exchange for various rights with respect to future sales of Sigma's spodumene concentrate to Mitsui.
- **Offtake Rights:** Mitsui and Sigma have agreed on certain preliminary terms and conditions for a potential offtake agreement that would grant Mitsui the right to purchase from Sigma up to one third of its initial commercial production of battery grade spodumene concentrate on an annual basis at then-prevailing market prices for an initial term of six years, subject to two consecutive five-year extension periods.

## Financing

The Pre-Payment Financing will be used to fund various capital expenditures for Sigma's Grota do Cirilo Project (the "Project"), including to (i) construct and install the commercial production plant as well as build its infrastructure, and (ii) acquire equipment in order to implement environmentally advanced techniques at the commercial production plant, including water treatment recycling circuit and dry stacking.

Ana Cabral, Vice-Chairman of Sigma commented: "Sigma has made significant progress to secure financing for the construction of its commercial plant and break ground early next year. We are honored to welcome Mitsui as an offtake partner. We have long admired Mitsui, with whom we share similar values and a long history in Brazil, where Mitsui has a significant on the ground corporate presence and business experience, including as a shareholder of Vale, the Brazil-based global mining company".

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

Sigma is proceeding with a definitive feasibility study for the Project, which currently contemplates an annual production of 240,000 tonnes of battery-grade spodumene concentrate. Sigma believes that there will be significant potential to economically expand production capacity. If that definitive feasibility study suggests doing so, it would be Sigma's intention to carry out further studies as a first step towards then increasing the Project's production capacity to 440,000 tonnes per year in the future (the "Production Expansion").

Under the term sheet, Sigma would also grant Mitsui the right to purchase a portion of the Production Expansion, provided that Mitsui participates in the future financings required to fund the capital expenditures for the Production Expansion.

“We are also continuing discussions regarding additional financing facilities and offtake agreements with other high-quality counterparts which have increasingly growing spodumene concentrate requirements for the next five years. Our goal is to secure long-term sales offtakes for a reasonable portion of Sigma’s production in the early years of our project, further de-risking it”, added Ana Cabral.

### **Offtake Rights**

The Offtake Rights would entitle Mitsui to acquire, at then-prevailing market prices, up to one third of Sigma’s initial commercial production on an annual basis and would have an initial term of six years, renewable for two consecutive five-year extension periods, subject to Mitsui’s and Sigma’s agreement.

### **INVESTOR CONFERENCE CALL REPLAY**

Sigma will host a video conference call for analysts and investors on Friday, November 30th, 2018 at 10:30 a.m. (EST), followed by a question-and-answer session. A telephone replay of the call will be available.

Investor Call to be held on Friday November 30th, 2018 at 10:30 a.m. (EST).

Video Conference Link: <https://sigmalithium.clickmeeting.com/sigma-lithium-resources>

Dial in:

Participant Code: 462825#

São Paulo: +55 (11) 3230-2305

New York: +1 (917) 338-1451

Toronto: +1 (647) 497-7729

Dial in from other locations: <https://account-panel.clickmeeting.com/dialplan>

### **ABOUT SIGMA**

Sigma Lithium Resources Corporation (TSX-V: SGMA) commissioned its Phase I production plant and has commenced the production of battery grade spodumene lithium concentrate from its high-quality hard-rock deposits at its four properties in Brazil at an annual capacity of 12,000 tonnes. Sigma plans to commence construction of a commercial-scale lithium concentration plant in 2019, becoming a fully-operational sustainable lithium producer in 2020.

We expect to produce approximately 240,000 tonnes per year of battery-grade spodumene concentrate on our initial phase of commercial production. Definitive feasibility studies on the mine and concentrator are well advanced. Our output of lithium minerals is destined for the fast-growing lithium-ion battery market, which is driven by the increasing demand for electric vehicles and energy storage worldwide. Sigma’s corporate mission is to execute our strategy while embracing environmental, social, and governance principles. Sigma’s shareholders include some of the largest ESG (environmental, sustainability, governance) focused institutional investors in the world.

### **QUALIFIED PERSON**

Marc-Antoine Laporte, P.Geo, M.Sc. of SGS, a qualified person (as defined by National Instrument 43-101) and independent of Sigma, has reviewed and approved the scientific and technical information in this news release.

### **FOR ADDITIONAL INFORMATION PLEASE CONTACT:**

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### **FORWARD-LOOKING STATEMENTS**

*This news release contains forward-looking statements relating to the objectives of the Corporation, plant construction, entering into definitive agreements for financing and offtake, completion of studies, 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, and investor interest in the business and future prospects of Sigma.*

*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](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.*

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