

Bacanora Lithium Ltd

08:38 21 Oct 2019

Bacanora Lithium says construction nearing at Sonora

Bacanora Lithium Group PLC (LON:BCN) said that it now has a "clear line of sight" towards construction at the Sonora lithium project in Mexico.

Pete Secker, chief executive, said it was confident it will soon be in position to finalise the financing package for Sonora and move on to the 24-month construction phase.

Chinese lithium giant Ganfeng recently concluded an agreement to acquire 29.99% of Bacanora and 22.5% directly in Sonora.

That effectively halved the company's funding requirement for the project, said Secker, and once it secures the rest of the funding building will start.

Sonora's operating costs "among the lowest in the industry" at US\$4,000 per tonne, compared to higher-cost producers such as Zangge, Qinghai, and Tianqi in Australia.

This will enable it to weather the "degree of uncertainty in the nascent lithium market", which has seen spot prices almost halve in the past eighteen months.

Secker added it is also in discussions to secure €159mln in funding to develop its 50% owned Zinnwald project in Germany.

Operating losses fell by a quarter to US\$8mln in the year to June, with its cash balance at US\$14.8mln.

The Ganfeng investment, advancement at Sonora, and Zinnwald's feasibility study were "stand-out milestones" this year, said Secker.

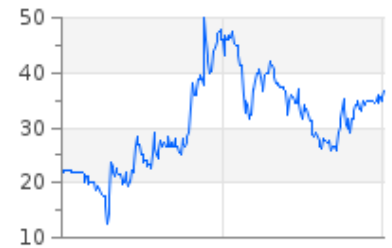
The company holds "two high-value lithium projects with a combined NPV of over US\$1.7 bn at the funding stage", he said.

Shares were up half of a percentage point to 34.2p in early trading.

Price: 36.875

Market Cap: £82.22 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: BCN

Listing: AIM

52 week	High	Low
	53	12.5

Sector: Battery Metals

Website: www.bacanoralithium.com

Company Synopsis:

Bacanora Lithium is an AIM listed company focused on generating shareholder value by identifying and investing in undeveloped lithium assets. The Company is achieving this through its investments in two key projects, the Sonora and Zinnwald Lithium Projects in Mexico and Germany respectively.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is

provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Bacanora Lithium Ltd named herein, including the promotion by the Company of Bacanora Lithium Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).