

# Save Bacanora Lithium

**Think BIG! Bacanora Investors' Group**

**THINK  
BIG**

**Bacanora Investors' Group**





## A brief summary

The world's largest lithium resource is under threat. It is subject to takeover offer from Ganfeng, and over 500 of us are aghast at The Board of Bacanora Lithium's complicity in proposing to accept such a derisory offer.

This strategic asset contains:

- Over 250 years of resource
- Over 7.7 Million Tonnes of Lithium Carbonate equivalent
- Scalability to produce 100,000s Tonnes per year.

**An opportunity for Ganfeng to corner the entire Lithium space.**



## Who we are

We are a group of shareholders who come from all walks of life, with a few things in common:

We have pledged over 30 Million shares.

Comprised of more than 400 private investors.

Own over 8% of the Total Shares Outstanding.

We have one common aim –  
**To stop this takeover.**



## Our demands as shareholders:

- What the shareholders were promised, to the best of The Board's ability
- A full and immediate return to a 50/50 Joint Venture scenario
- A commitment from Ganfeng to refrain from further takeover attempts
- Two seats to be added to the board. One for an Institutional Investor of our choosing, and one to be elected by private shareholders
- A full commitment from the board not to entertain or recommend any offer below the true valuation of £7.60 per share – As per our Discounted Cash Flow
- All unvested RSU's and Options effective upon a takeover to be rescinded
- For the Board to remain in place, and fully commit to their duties



## What is The Sonora Project?

Sonora is the world's **largest lithium** resource.

One section alone (La Ventana) has:

Over 1,500,000 Tonnes of Lithium Carbonate Equivalent.

Over 250 years of resource life spread over 5 Kilometres.

It is amongst the lowest cost to operate (\$4,000 per Tonne).

Almost fully funded through to production.

The La Ventana section itself has an NPV0 of \$3.4 BILLION. Sonora has 10 sections in total.

This is a resource which **must be shared between both East and West.**



## The true valuation:

Through our full DCF model, we value this at \$10.52 USD per share (£7.60).

Intrinsic Value	
Enterprise Value	\$4,029,594,706.00
Plus: Cash	\$160,000,000.00
Less: Debt	\$150,000,000.00
Equity Value	\$4,039,594,706.00
Equity Value/Share	\$10.52

Market Value	
Market Cap	\$280,425,778.00
Plus: Debt	\$150,000,000.00
Less: Cash	\$160,000,000.00
Enterprise Value	\$270,425,778.00
Equity Value/Share	\$0.73

Rate of Return	
Target Price Upside	1341%
Internal Rate of Return (IRR)	34%

Market Value vs Intrinsic Value	
Market Value	\$0.73
Upside	\$9.79
Intrinsic Value	\$10.52



The Bacanora share price sits around the “Orphan Period” of the Lassonde Curve. In active development - it sits exactly at the point prior to an exponential rise in price.

This is why Ganfeng have timed their bid for this very moment. It is opportunistic, and the board are ‘pleased’ to receive this possible offer when the share price is at an incredible low.

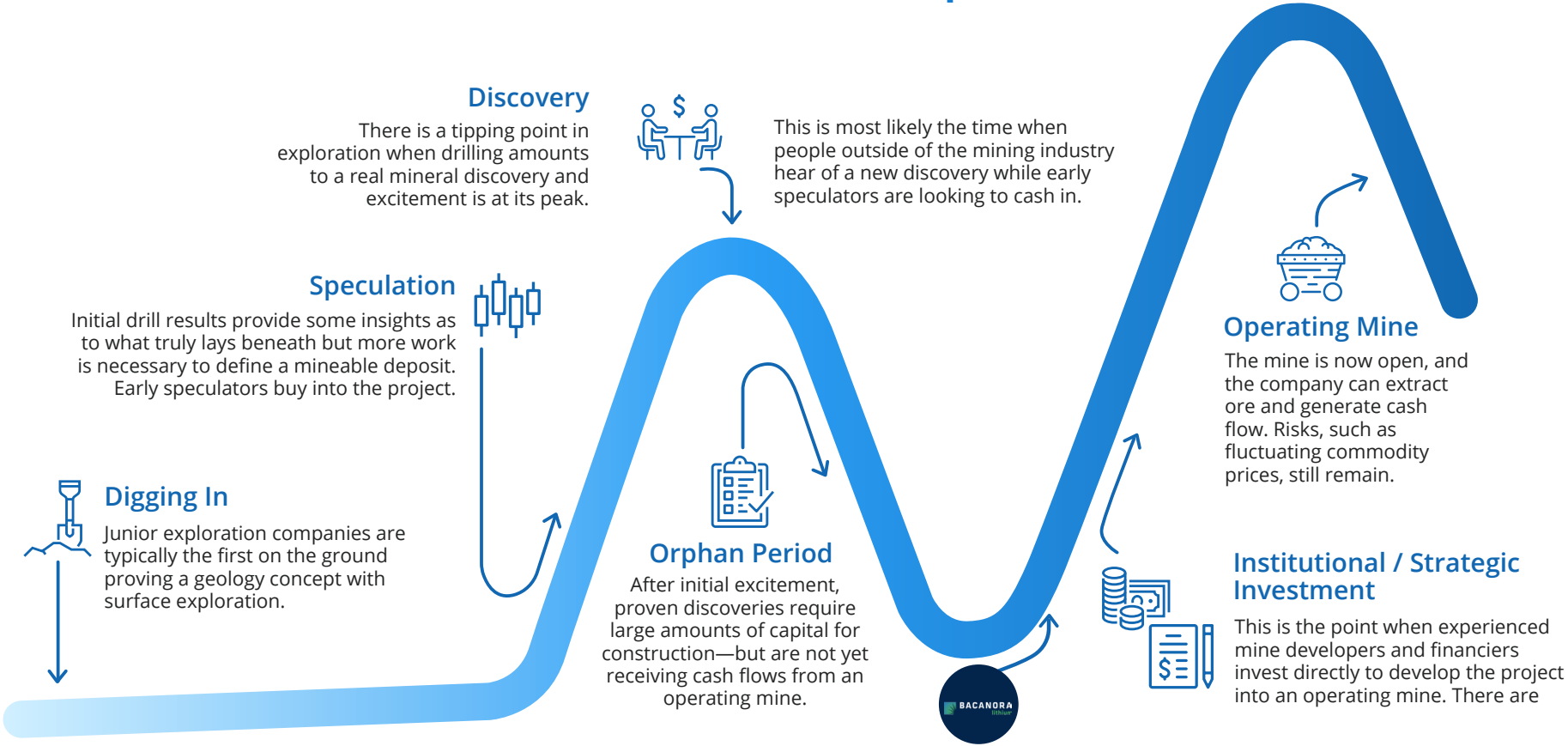
# THINK BIG

## Bacanora Investors' Group

HIGH VALUE



LOW VALUE







## Why this is a bad deal

The hard work is done.  
The effort has been made.  
And the private shareholders held.

**Yet the Board deem fit to fold?**



## This is being given away almost for free:

The total takeover 'valuation' is \$267.5 Million USD. Ganfeng currently own 28.88% of Bacanora.

Bacanora hold over \$160 Million USD in cash. Net cash payment for the world's largest lithium resource = \$99 Million USD

That is correct. The Board of Bacanora are 'pleased' with an offer to buy:

- The world's largest lithium resource
- Over \$120 Million of cash Bacanora has in the treasury
- 35.5% stake in Zinnwald resource in Europe

This is for a net payment of **less than** \$100 Million USD.



## The Board

Peter Secker and Mark Hohnen are paid premium rate salaries. **Premium rate salaries to build a mine - Not give it away.**

The CEO and Chairman had a bonus due for selling the company at a price above £1.30 in 2018.

This clause has been removed.

Their Options and RSU's can vest early upon a takeover, and are currently due to expire 31st December 2021.

When is Ganfeng's takeover due to complete?  
**December 2021**



Peter Secker, CEO of Bacanora Lithium replied to a question at the Proactive Capital Mining Conference in 2019:

*“History says they’re not gonna take us over” (sic)*

*“They don’t want to be the operator outside of China”*

We ask the question to the CEO of Bacanora Lithium:

***Who will then be the operator of this project?  
Will it be yourself?***

<https://youtu.be/Kpz9W0xXgGA?t=18>



## Identified risks

We all bought into this mine under the pretense of seeing this through to production.

31 risks directly related to Bacanora Lithium were identified in the AIM submission document. We fully accept all 31 risks. Board capitulation was not on that list.

In February 2021, Bacanora raised \$62 Million fully financing their part of this project. This means shareholders paid for this project to become fully funded. Having paid for it, we now face the prospect of almost handing this world class resource over.

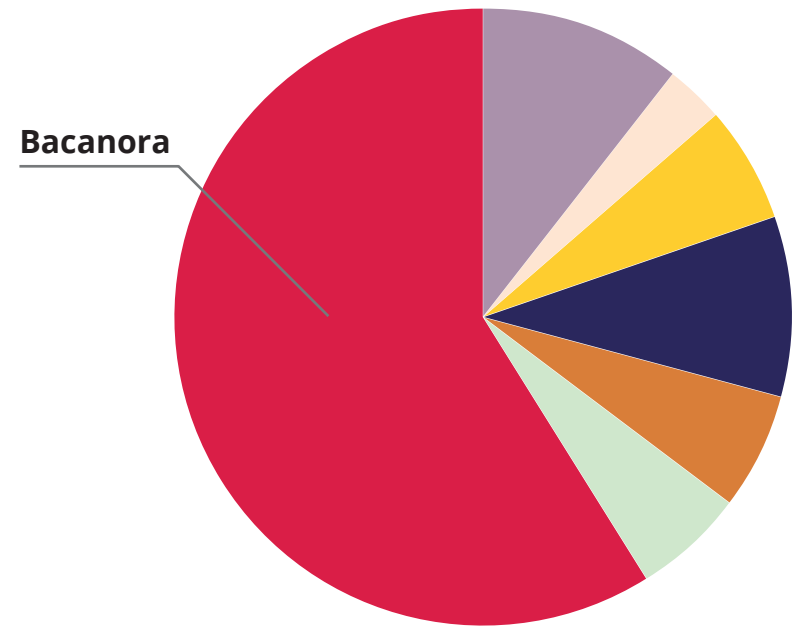
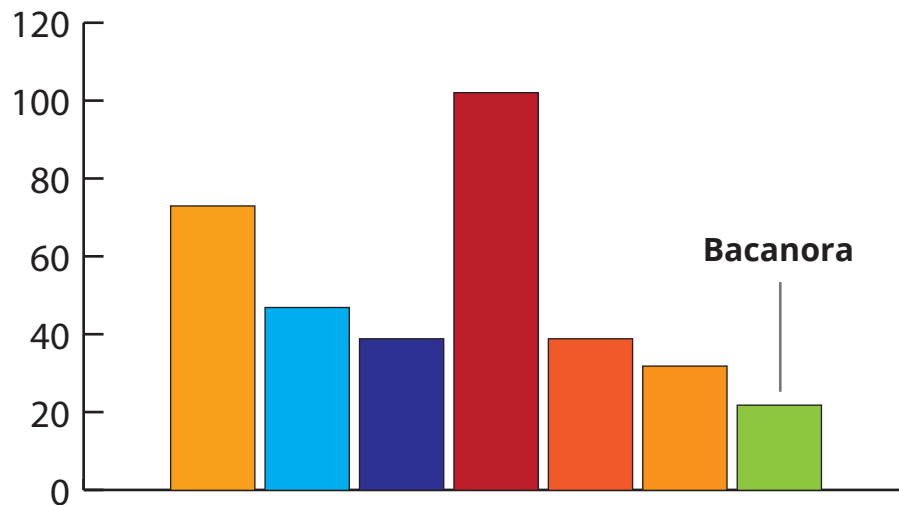
# Bacanora compared to peers

## Trading Value to Mine NPV

Lithium Americas	73%
Sigma Lithium	47%
Piedmont Lithium	39%
Liontown Resources	102%
loneer	39%
Standard Lithium	32%
Bacanora Lithium	22%

## Life of resource (Years)

Lithium Americas	46
Sigma Lithium	13
Piedmont Lithium	25
Liontown Resources	40
loneer	26
Standard Lithium	25
Bacanora Lithium	250





## Why now?

Ganfeng need this. They have a target to hit 600,000 Tonnes of Lithium.

They have off-take agreements with Tesla, and need to fulfil all the supply contracts they have signed.

They cannot do this without Sonora. Sonora can be rapidly scaled up to even 300,000 tonnes a year – Supplying a vital resource to the world.

It must be shared.

We welcome Ganfeng as equal and equitable partners.

We ask that you support us in our attempt to stop this takeover.

An open message, from: Think BIG! –  
Bacanora Investors' Group

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