UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

☐ **Registration Statement pursuant to Section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual Report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2023
Commission File Number: 001-40786

SIGMA LITHIUM CORPORATION

(Exact name of Registrant as specified in its charter)

Canada	**1000**	**Not Applicable**
(Province or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Av. Nove de Julho, nº 4.939, cj. 93 (Parte)
São Paulo, SP, Brazil
Tel: +55 11-2985-0089

(Address and telephone number of Registrant's principal executive offices)

C T Corporation System
28 Liberty Street
New York, New York 10005
Telephone: (212) 894-8940

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	SGML	The Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

110,059,471 Common Shares outstanding as of December 31, 2023

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the Registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Management's Report on Internal Control over Financial Reporting is filed in Exhibit 99.2 hereto which contains the link to the Management's Discussion and Analysis for the year ended December 31, 2023, incorporated herein by reference.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Management's Report on Internal Control over Financial Reporting is filed in Exhibit 99.2 hereto which contains the link to the Management's Discussion and Analysis for the year ended December 31, 2023 incorporated herein by reference.

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined that it has at least one audit committee financial expert serving on its Audit Committee. The Board has determined that José Lucas Ferreira de Melo is an audit committee financial expert and is independent, as that term is defined by the Exchange Act and the Nasdaq corporate governance standards applicable to the Company.

The Audit Committee has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose on such person any duties, obligations or liability that are greater than those imposed on such person as a member of the Audit Committee and the Board in the absence of such designation and does not affect the duties, obligations or liability of any other member of the Audit Committee or Board.

CODE OF ETHICS

The Board has adopted a written code of business conduct and ethics (the "Code"), which applies to the Board and all officers and employees of the Company, including the Company's principal executive officer, principal financial officer and principal accounting officer or controller. There were no waivers granted in respect of the Code during the fiscal year ended December 31, 2023. The Code is posted on the Company's website at www.sigmalithiumresources.com. If there is an amendment to the Code, or if a waiver of the Code is granted to any of Company's principal executive officers, principal financial officer, principal accounting officer or controller, the Company intends to disclose any such amendment or waiver by posting such information on the Company's website. Unless and to the extent specifically referred to herein, the information on the Company's website shall not be deemed to be incorporated by reference in this Annual Report.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

KPMG Auditores Independentes Ltda., São Paulo, Brazil, Audit Firm ID: 1124, acted as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2023. Prior to that, KPMG LLP, Toronto, ON, Canada, Audit Firm ID: 85, acted as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2022. See page 83 of the Company's Annual Information Form, which is attached hereto as Exhibit 99.1, for the total amount billed to the Company by KPMG Auditores Independentes Ltda. and KPMG LLP for services performed in the last two fiscal years by category of service (for audit fees, audit-related fees, tax fees and all other fees).

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

See page 81 of the Company's Annual Information Form, which is attached hereto as Exhibit 99.1. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

The information included in *"Financial risk factors—Market Risk"* attached hereto as Exhibit 99.2 which contains the link to the Management's Discussion and Analysis for the year ended December 31, 2023, incorporated herein by reference.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Board has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act and satisfies the requirements of Exchange Act Rule 10A-3. The Company's Audit Committee is comprised of José Lucas Ferreira de Melo, Bechara S. Azar and Cesar Chicayban, all of whom, in the opinion of the Company's Board of Directors, are independent (as determined under Rule 10A-3 of the Exchange Act and the Nasdaq Rules) and all of whom are financially literate.

CORPORATE GOVERNANCE PRACTICES

There are certain differences between the corporate governance practices applicable to the Company and those applicable to U.S. companies under the Nasdaq Corporate Governance Requirements. A summary of the significant differences can be found on the Company's website at www.sigmalithiumresources.com. Information contained in or otherwise accessible through the Company's website does not form part of this Annual Report and is not incorporated into this Annual Report by reference.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") which is administered by the U.S. Department of Labor's Mine Safety and Health Administration ("MSHA"). During the fiscal year ended December 31, 2023, the Company and its subsidiaries were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its financial statements, which are filed with this Annual Report in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the audit is subject to Canadian auditing and auditor independence standards.

Disclosure regarding the Company's mineral properties, including with respect to mineral reserve and mineral resource estimates included in this Annual Report, was prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained in this Annual Report is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

INCORPORATED DOCUMENTS

Annual Information Form

The Company's AIF is filed as Exhibit 99.1 to this Annual Report.

Management's Discussion and Analysis

The Company's management's discussion and analysis ("MD&A") is filed as Exhibit 99.2 to this Annual Report.

Audited Annual Financial Statements

The Company's consolidated financial statements and auditor's report thereon are filed as Exhibit 99.3 to this Annual Report.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Company has filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with respect to the class of securities in relation to which the obligation to file this Annual Report arises.

EXHIBIT INDEX

Exhibit No.	Description
97	Incentive Compensation Clawback Policy
99.1	Annual Information Form for the year ended December 31, 2023
99.2	Management's Discussion and Analysis for the year ended December 31, 2023
99.3	Consolidated financial statements for the years ended December 31, 2023 and 2022
99.4	Certificate of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certificate of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certificate of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certificate of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as enacted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of KPMG Auditores Independentes Ltda., Independent Registered Public Accounting Firm
99.9	Consent of KPMG LLP, Independent Registered Public Accounting Firm
99.10	Consent of Marc-Antoine Laporte, P.Geo., M.Sc.
99.11	Consent of Porfirio Cabaleiro Rodriguez, B.Sc., M.Eng.
99.12	Consent of Jarrett Quinn, P. Eng.
99.13	Consent of Homero Delboni Jr., B.E., M. Eng. Sc., Ph.D, MAusIMM
99.14	Consent of William van Breugel, P. Eng.
101	Interactive Data File (formatted as Inline XBRL)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Exchange Act, Sigma Lithium Corporation certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Dated: April 30, 2024

SIGMA LITHIUM CORPORATION

By: /s/
Name: Ana Cabral-Gardner
Title: Chief Executive Officer

Exhibit 97

SIGMA LITHIUM CORPORATION

CLAWBACK POLICY

The Board of Directors ("**Board**") of Sigma Lithium Corporation (the "**Company**") has adopted this Policy in accordance with Nasdaq listing requirements.

A. Application of Policy

This Policy applies in the event ofany restatement ("**Restatement**") of the Company's financial results due to its material non-compliance with financial reporting requirements under the securities laws.[1] This Policy does not apply to restatements that are not caused by non-compliance with financial reporting requirements, such as, but not limited to, a retrospective: (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company's internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; (5) adjustment to provision amounts in connection with a prior business combination; and (6) revision for stock splits, reverse stock splits, dividends or other changes in capital structure (collectively the "**Restatement Exclusions**").

B. Executive Officers Subject to the Policy

The "executive officers" of the Company are covered by this Policy. This includes the Company's current or former Chief Executive Officer, Chief Financial Officer, any Vice-President of the Company in charge of a principal business unit, division or function, and any other current or former officer or person who performs a significant policy-making function for the Company, including executive officers of Company subsidiaries (the "**Executive Officers**"). All of these Executive Officers are subject to this Policy, even if an Executive Officer had no responsibility for the financial statement errors which required restatement.

C. Compensation Subject to the Policy

This Policy applies to any incentive-based compensation received by an Executive Officer during the period (the "**Clawback Period**") consisting of any of the three fiscal completed years immediately preceding:

- the date that the Company's Board (or Audit Committee) concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or

[1] Please note that this includes both big "R" restatement (to correct a material error to previously issued financial statements) and little "r" restatements (to correct errors that are not material to previously issued financial statements but would result in a material misstatement if (a) the errors were left uncorrected in the current report or (b) the error correction was recognized in the current period).

- the date that a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

This Policy covers all incentive-based compensation (including any cash or equity compensation) that is granted, earned or vested based wholly or in part upon the attainment of any "financial reporting measure". Financial reporting measures are those that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measures derived wholly or in part from such financial information (including non-GAAP measures, stock price and total shareholder return). Incentive-based compensation is deemed "received" in the fiscal period during which the applicable financial reporting measure (as specified in the terms of the award) is attained, even if the payment or grant occurs after the end of that fiscal period.

Incentive-based compensation does not include base annual salary, compensation which is awarded based solely on service to the Company (e.g. a time-vested award, including time-vesting stock options or restricted share units), nor does it include compensation which is awarded based on subjective standards, strategic measures (e.g. completion of a merger) or operational measures (e.g. attainment of a certain market share).

D. Amount Required to be Repaid Pursuant to this Policy

The amount of incentive-based compensation that must be repaid (subject to the few limitations discussed below) is the amount of incentive-based compensation received by the Executive Officer that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the Restatement (the "**Recoverable Amount**"). Applying this definition, after a Restatement, the Company will recalculate the applicable financial reporting measure and the Recoverable Amount in accordance with SEC and exchange rules. The Company will determine whether, based on that financial reporting measure as calculated relying on the original financial statements, an Executive Officer received a greater amount of incentive-based compensation than would have been received applying the recalculated financial measure. Where incentive-based compensation is based only in part on the achievement of a financial reporting measure performance goal, the Company will determine the portion of the original incentive-based compensation based on or derived from the financial reporting measure which was restated and will recalculate the affected portion based on the financial reporting measure as restated to determine the difference between the greater amount based on the original financial statements and the lesser amount that would have been received based on the Restatement. The Recoverable Amounts will be calculated on a pre-tax basis to ensure that the Company recovers the full amount of incentive-based compensation that was erroneously awarded.

In no event shall the Company be required to award Executive Officers an additional payment if the restated or accurate financial results would have resulted in a higher incentive compensation payment.

If equity compensation is recoverable due to being granted to the Executive Officer (when the accounting results were the reason the equity compensation was granted) or vested by the Executive Officer (when the accounting results were the reason the equity compensation was vested), in each case in the Clawback Period, the Company will recover the excess portion of the equity award that would not have been granted or vested based on the Restatement, as follows:

- if the equity award is still outstanding, the Executive Officer will forfeit the excess portion of the award;
- if the equity award has been exercised or settled into shares (the "**Underlying Shares**"), and the Executive Officer still holds the Underlying Shares, the Company will recover the number of Underlying Shares relating to the excess portion of the award (less any exercise price paid for the Underlying Shares); and
- if the Underlying Shares have been sold by the Executive Officer, the Company will recover the proceeds received by the Executive Officer from the sale of the Underlying Shares relating to the excess portion of the award (less any exercise price paid for the Underlying Shares).

The Board will take such action as it deems appropriate, in its sole and absolute discretion, reasonably promptly to recover the Recoverable Amount, unless all of the independent directors of the Board determine that it would be impracticable to recover such amount because (1) the direct costs of enforcing recovery would exceed the Recoverable Amount,[2] or (2) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder[3], or (3) if the recovery of the incentive-based compensation would violate the home-country laws of the Company.

E. Additional Clawback Required by Section 304 of the Sarbanes-Oxley Act of 2002

In addition to the provisions described above, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then, in accordance with Section 304 of the Sarbanes-Oxley Act of 2002, the Chief Executive Officer and Chief Financial Officer (at the time the financial document embodying such financial reporting requirement was originally issued) shall reimburse the Company for:

- any bonus or other incentive-based or equity-based compensation received from the Company during the 12-month period following the first public

[2] To reach this determination, the Company must have first made a reasonable and documented attempt at recovery.
[3] To reach this determination, the Company must obtain an opinion of counsel.

issuance or filing with the Commission (whichever first occurs) of such financial document; and

- any profits realized from the sale of securities of the Company during that 12-month period.

F. Crediting of Recovery Amounts

To the extent that subsections A, B, C and D of this policy (the "**Rule 10D-1 Clawback Requirements**") would provide for recovery of incentive-based compensation recoverable by the Company pursuant to Section 304 of the Sarbanes-Oxley Act, in accordance with subsection E of this policy (the "**Sarbanes-Oxley Clawback Requirements**"), and/or any other recovery obligations (including pursuant to employment agreements, or plan awards), the amount such Executive Officer has already reimbursed the Company shall be credited to the required recovery under the Rule 10D-1 Clawback Requirements. Recovery pursuant to the Rule 10D-1 Clawback Requirements does not preclude recovery under the Sarbanes-Oxley Clawback Requirements, to the extent any applicable amounts have not been reimbursed to the Company.

G. General Provisions

This Policy may be amended by the Board from time to time. Changes to this Policy will be communicated to all persons to whom this Policy applies.

The Company will not indemnify or provide insurance to cover any repayment of incentive-based compensation in accordance with this Policy.

The provisions of this Policy apply to the fullest extent of the law; provided however, to the extent that any provisions of this Policy are found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

This Policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any Executive Officer that is required pursuant to any other statutory repayment requirement (regardless of whether implemented at any time prior to or following the adoption of this Policy). Nothing in this Policy in any way detracts from or limits any obligation that those subject to it have in law or pursuant to a management, employment, consulting or other agreement with the Company or any of its subsidiaries.

All determinations and decisions made by the Board (or any committee thereof) pursuant to the provisions of this Policy shall be final, conclusive and binding on the Company, its subsidiaries and the persons to whom this Policy applies. Executive Officers (as defined above) are required to acknowledge that they have read this Policy annually. If you have questions about the interpretation of this Policy, please contact the Chief Legal Officer of the Company.

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Exhibit 99.1



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INTERPRETATION

Definitions

For a description of defined terms and other reference information used in this Annual Information Form (this "AIF"), please refer to Schedule "B".

CIM Definition Standards

The disclosure included in this AIF uses mineral resource and mineral reserve classification terms that comply with reporting standards in Canada. All mineral resource and mineral reserve estimates are made in accordance with the CIM Definition Standards and NI 43-101, which is a set of rules developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects and operations. The following definitions are reproduced from the CIM Definition Standards:

A "mineral resource" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories, which are defined as follows:

- An "inferred mineral resource" is that part of a mineral resource for which quantity, grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
- An "indicated mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.
- A "measured mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing, and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

"Modifying factors" are considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.



A “mineral reserve” is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Mineral reserves are sub-divided, in order of increasing geological confidence, into probable and proven categories, which are defined as follows:

- A “probable mineral reserve” is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.
- A “proven mineral reserve” is the economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Certain information and statements in the MD&A included herein may constitute “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of U.S. securities legislation (collectively, “**Forward-Looking Information**”), which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information. All statements, other than statements of historical fact, may be Forward-Looking Information, including, but not limited to, mineral resource or mineral reserve estimates (which reflect a prediction of the mineralization that would be realized by development). When used in this AIF, such statements generally use words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate” and other similar terminology. These statements reflect management’s current expectations regarding future events and operating performance and speak only as of the date of this AIF. Forward Looking Information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and does not necessarily provide accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the Forward Looking Information, which is based upon what management believes are reasonable assumptions, and there can be no assurance that actual results will be consistent with the Forward Looking Information.

In particular (but without limitation), this AIF contains Forward Looking Information with respect to the following matters: statements regarding anticipated decision making with respect to the Company; capital expenditure programs; estimates of mineral resources and mineral reserves; development of mineral resources and mineral reserves; government regulation of mining operations and treatment under governmental and taxation regimes; the future price of commodities, including lithium; the realization of mineral resource and mineral reserve estimates, including whether mineral resources will ever be developed into mineral reserves; the timing and amount of future production; currency exchange and interest rates; expected outcome and timing of environmental surveys and permit applications and other environmental matters; potential positive or negative implications of change in government; the Company’s ability to raise capital and obtain project financing; expected expenditures to be made by the Company on its properties; successful operations and the timing, cost, quantity, capacity and quality of production; capital costs, operating costs and sustaining capital requirements, including the cost of construction of the processing plant; and competitive conditions and the ongoing uncertainties and effects in respect of the military conflict in Ukraine.

Forward-Looking Information does not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-Looking Information is based upon a number of expectations and assumptions and is subject to several risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those disclosed in or implied by such Forward-Looking Information. With respect to the Forward-Looking Information, the Company has made assumptions regarding, among other things:



- General economic and political conditions (including but not limited to the impact of the continuance or escalation of the military conflict between Russia and Ukraine, the military conflict in Middle East, and other military and global conflicts, and the multinational economic sanctions in relation to such conflicts).
- Stable and supportive legislative, regulatory and community environment in the jurisdictions where the Company operates.
- Stability and inflation of the Brazilian Real, including any foreign exchange or capital controls which may be enacted in respect thereof, and the effect of current or any additional regulations on the Company's operations.
- Demand for lithium, including that such demand is supported by growth in the EV market.
- Estimates of, and changes to, the market prices for lithium.
- The impact of increasing competition in the lithium business and the Company 's competitive position in the industry.
- The Company's market position and financial and operating performance.
- The Company's estimates of mineral resources and mineral reserves, including whether mineral resources will ever be developed into mineral reserves.
- Anticipated timing and results of exploration, development and construction activities.
- Reliability of technical data.
- The Company's ability to maintain full capacity commercial production, including that the Company will not experience any materials or equipment shortages, any labor or service provider outages or delays or any technical issues.
- The Company's ability to obtain financing on satisfactory terms to develop its projects, if required.
- The Company's ability to obtain and maintain mining, exploration, environmental and other permits, authorizations and approvals.
- The timing and outcome of regulatory and permitting matters.
- The exploration, development, construction and operational costs.
- The accuracy of budget, construction and operations estimates for the Company.
- Successful negotiation of definitive commercial agreements.
- The Company's ability to operate in a safe and effective manner.

Although management believes that the assumptions and expectations reflected in such Forward-Looking Information are reasonable, there can be no assurance that these assumptions and expectations will prove to be correct. Since Forward-Looking Information inherently involves risks and uncertainties, undue reliance should not be placed on such information.

In addition, Forward Looking Information with respect to the potential outlook and future financial results contained in this AIF is based on assumptions noted above and about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information available as at the date of such information. Readers are cautioned that any such information should not be used for purposes other than for which it is disclosed.

The Company's actual results could differ materially from those anticipated in any Forward-Looking Information as a result of various known and unknown risk factors, including (but not limited to) the risk factors referred to under the heading "Risk Factors" in this AIF. Such risks relate to, but are not limited to, the following:

- There can be no assurance that market prices for lithium will remain at current levels or that such prices will improve.
- The market for EVs and other large format batteries remains an emerging technology in a number of markets. No assurances can be given for the rate at which this market will develop, if at all, which could affect the success of the Company and its ability to expand lithium operations.
- Changes in technology or other developments could result in preferences for substitute products.
- New production of lithium hydroxide or lithium carbonate or spodumene concentrate from current or new competitors in the lithium markets could adversely affect prices.
- The Company's financial condition, operations and results of operations are subject to political, economic, social, regulatory and geographic risks of doing business in Brazil.
- Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Company's financial condition and results of operations.



- Violations of anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations could materially adversely affect the Company's business, reputation, results of operations and financial condition.
- Corruption and fraud in Brazil relating to ownership of real estate could materially adversely affect the Company 's business, reputation, results of operations and financial condition.
- The Company is subject to regulatory frameworks applicable to the Brazilian mining industry which could be subject to further change, as well as government approval and permitting requirements, which may result in limitations on the Company's business and activities.
- The Company's operations are subject to numerous environmental laws and regulations and expose the Company to environmental compliance risks, which may result in significant costs and have the potential to reduce the profitability of operations.
- Physical climate change events and the trend toward more stringent regulations aimed at reducing the effects of climate change could have an adverse effect on the Company's business and operations.
- The Company's future production estimates are based on existing mine plans and other assumptions which change from time to time. No assurance can be given that such estimates will be achieved.
- The Company's capital and operating cost estimates may vary from actual costs and revenues for reasons outside of the Company's control.
- Insurance may not be available to insure against all such risks, or the costs of such insurance may be uneconomic. Losses from uninsured and underinsured losses have the potential to materially affect the Company's financial position and prospects.
- The Company is subject to risks associated with securing title, property interests and exploration and exploitation rights.
- The Company is subject to strong competition in Brazil and in the global mining industry.
- The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to securities, labor, environmental and health and safety matters, which could result in consequences material to its business and operations.
- The Company's mineral resource and mineral reserve estimates are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources or mineral reserves will ever qualify as a commercially mineable (or viable) deposit.
- The Company's operations and the development of its projects may be adversely affected if it is unable to maintain positive community relations.
- The Company is exposed to risks associated with doing business with counterparties, which may impact the Company 's operations and financial condition.
- Any limitation on the transfer of cash or other assets between the Company and the Company 's subsidiaries, or among such entities, could restrict the Company's ability to fund its operations efficiently or the ability of its subsidiaries to distribute cash otherwise available for distributions.
- The Company is subject to risks associated with its reliance on consultants and others for mineral exploration and exploitation expertise.
- The Company's operations are subject to the high degree of risk normally incidental to the exploration for, and the development and operation of, mineral properties.
- From time to time, the Company may become involved in litigation, which may have a material adverse effect on its business, financial condition and prospects.
- The current military conflict in Ukraine and the Middle East and the economic or other sanctions imposed in response to such military conflicts and other global conflicts may impact global markets in such a manner as to have a material adverse effect on the Company's business, operations, financial condition and stock price.
- Operating cash flow may be insufficient for future needs.
- The Company may not be able to obtain sufficient financing in the future on acceptable terms, which could have a material adverse effect on the Company's business, results of operations and financial condition. In order to obtain additional financing, the Company may conduct additional (and possibly dilutive) equity offerings or debt issuances in the future.
- Western governmental actions in respect of critical minerals may affect the Company 's business.
- The Company may be unable to achieve cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness, or maintain its debt covenants.



- The Company has not declared or paid dividends in the past and may not declare or pay dividends in the future.
- The Company has increased costs as a result of being a public company both in Canada listed on the TSXV and in the United States listed on the Nasdaq, and its management is required to devote further substantial time to United States public company compliance efforts.
- If the Company does not implement and maintain adequate and appropriate internal controls over financial reporting as outlined in accordance with NI 52-109 or the Rules and Regulations of the SEC. Accordingly, inappropriately designed or ineffective controls could result in inaccurate financial reporting.
- As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to its shareholders.
- Failure to retain key officers, consultants and employees or to attract and, if attracted, retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.
- The Company is subject to currency fluctuation risks.
- Certain directors and officers of the Company are, or may become, associated with other natural resource companies which may give rise to conflicts of interest.
- The market price for the Company 's shares may be volatile and subject to wide fluctuations in response to numerous factors beyond its control, and the Company may be subject to securities litigation as a result.
- If securities or analysts, industry analysts or activist short sellers publish research or other reports about the Company 's business, prospects or value, which questions or downgrades the value of the Company, the price of the Common Shares could decline.
- The Company will have broad discretion over the use of the net proceeds from offerings of its securities.
- There is no guarantee that the Common Shares will earn any positive return in the short term or long term.
- The Company has a major shareholder which owns 43.3% of the outstanding Common Shares and, as such, for as long as such shareholder directly or indirectly maintains a significant interest in the Company, it may be in a position to affect the Company's governance, operations and the market price of the Common Shares.
- As the Company is a Canadian corporation but many of its directors and officers are not citizens or residents of Canada or the U.S., it may be difficult or impossible for an investor to enforce judgements against the Company and its directors and officers outside of Canada and the U.S. which may have been obtained in Canadian or U.S. courts or initiate court action outside Canada or the U.S. against the Company and its directors and officers in respect of an alleged breach of securities laws or otherwise. Similarly, it may be difficult for U.S. shareholders to effect service on the Company to realize on judgments obtained in the United States.
- The Company is governed by the Canada Business Corporations Act and by the securities laws of the province of Ontario, which in some cases have a different effect on shareholders than U.S. corporate laws and U.S. securities laws.
- The Company is subject to risks associated with its information technology systems and cyber-security.
- The Company may be a Passive Foreign Investment Company, which may result in adverse U.S. federal income tax consequences for U.S. holders of Common Shares.

Readers are cautioned that the foregoing lists of assumptions and risks is not exhaustive. The Forward Looking Information contained in this AIF is expressly qualified by these cautionary statements. All Forward Looking Information in this AIF speaks as of the date of this AIF. The Company does not undertake any obligation to update or revise any Forward Looking Information, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additional information about these assumptions, risks and uncertainties is contained in the Company's filings with securities regulators, including the Company's most recent annual a MD&A, which are available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

CAUTIONARY NOTE REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Technical disclosure included in this AIF regarding the Company's properties, and in the documents incorporated herein by reference, has not been prepared in accordance with the requirements of U.S. securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and estimates are made in accordance with NI 43-101. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the CIM Definition Standards.



NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained in this AIF is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

OTHER INFORMATION

Currency

This AIF contains references to United States dollars, Canadian dollars and Brazilian Reais. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars, referred to herein as "CAD" United States dollars are referred to herein as "US$". Brazilian Reais are referred to herein as "R$".

The following table sets forth the high and low, average and period-end exchange rates for one US dollar expressed in Canadian dollars and Brazilian Reais for each period indicated, based upon the daily exchange rates provided by FactSet:

	2023	2022
High	CAD1.39/R$5.48	CAD1.39/R$5.71
Low	CAD1.31/R$4.73	CAD1.25/R$4.59
Rate at December 31, 2023	CAD1.33/R$4.84	CAD1.36/R$5.29
Average rate for period (full year)	CAD1.35/R$5.00	CAD1.30/R$5.16

On April 5, 2024, the rate for Canadian dollars (as quoted by Bloomberg) and Brazilian Reais in terms of the United States dollar was US$1.00 = CAD1.359/R$5.067.

Third Party Information

This AIF includes market, industry and economic data and projections obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes these to be reliable, it has not independently verified the information from third party sources, or analyzed or verified the underlying reports relied upon or referred to by the third parties or ascertained the underlying economic and other assumptions relied upon by the third parties. The Company believes that the market, industry and economic data and projections are accurate and that the estimates and assumptions are reasonable, but there can be no assurance as to their accuracy or completeness. The accuracy and completeness of the market, industry and economic data and projections in this AIF are not guaranteed and the Company does not make any representation as to the accuracy or completeness of such information.

Non-GAAP Measures

This AIF and the Restated Technical Report incorporated by reference herein contain certain non-GAAP measures. The non-GAAP measures do not have any standardized meaning within International Financial Reporting Standards ("IFRS"), and therefore may not be comparable to similar measures presented by other companies. These measures provide information that is customary in the mining industry and that is useful in evaluating the Project. This data should not be considered as a substitute for measures of performance prepared in accordance with IFRS.

Qualified Person

Mr. Marc - Antoine Laporte, P.Geo., M.Sc., is the "qualified person" under NI 43-101 who reviewed and approved the technical information disclosed in this AIF and the documents incorporated by reference herein.

Date of Information

Except as otherwise indicated, all information disclosed in this AIF is as of April 30, 2024.



STRUCTURE OF THE COMPANY

Name, Address and Incorporation

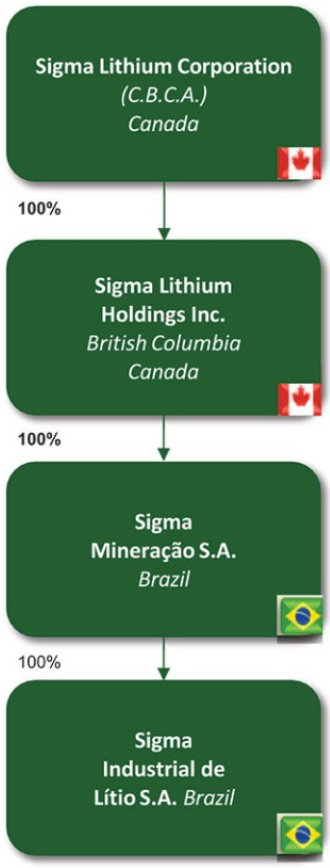
Sigma Lithium Corporation (the "Company" or "Sigma") is domiciled in Canada and was incorporated under the *Canada Business Corporations Act* on June 8, 2011 originally under the name Margaux Red Capital Inc. The current business of Sigma was acquired through a reverse take-over transaction on April 30, 2018 pursuant to which the Company acquired Sigma Lithium Resources Inc ("Sigma Holdings") which held (and continues to hold) the Grota do Cirilo Project, located in the state of Minas Gerais in Brazil (the "Project") through a Brazilian wholly-owned subsidiary, Sigma Mineração S.A. ("Sigma Brazil"). On completion of the reverse take-over transaction, the Company implemented a share consolidation and changed its name to "Sigma Lithium Resources Corporation". On July 5, 2021, the Company changed its name to "Sigma Lithium Corporation".

The registered office of the Company is at Suite 2200, HSBC Building, 885 West Georgia St. Vancouver, BC V6C 3E8 Canada and the head office of the Company is Avenida Nove de Julho 4939, 9th Floor, Torre Europa, Itaim, Sao Paulo, Sao Paulo, 01407-200. The Company's web site is www.sigmalithium.ca.



Intercorporate Relationships

The corporate structure of the Company and its subsidiaries (each of which is wholly owned), and their relative jurisdictions of incorporation are set out in the following chart:



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Sigma is a Canadian-incorporated lithium company, operating what we believe to be one of the largest hard rock lithium mining and beneficiation complexes in the Americas, with an environmental sustainability directed strategy. The Project in Brazil will supply the rapidly expanding lithium-ion battery supply chain for electric vehicles ("EVs") with sustainable Green Lithium.

For further information on the business of the Company, please refer to " Description of the Business ".



Three Year History

The following is a summary of the key developments that have generally influenced the development of the Company's business and projects over the last three fiscal years (and its current fiscal year to date).

2024 to Date

On April 1, 2024, there was a Final Investment Decision for a Phase 2 expansion which will increase production capacity by 250,000 tonnes per annum of spodumene concentrate from Sigma's Grota do Cirilo operations. Once in production, is expected to light Sigma's total nameplate capacity to 520,000 tonnes.

On January 31, 2024, Sigma published its updated resource estimate following its 2023 drill campaign. The aggregate measured, indicated and inferred estimate increased to 108.9 million tonnes at an average grading of 1.40% lithium oxide. This was an increase of 27% over the prior estimate of 85.6 million tonnes and a slight decrease in the average grading of lithium oxide at 1.43%. The majority of the revisions were made to the Phase 3 (Nezinho do Chicão) and Phase 4 (Murial) deposits, but the Company also announced a maiden resource estimate of 2.1 million tonnes inferred for its Phase 5, Elvira, prospect.

2023

In 2023, Sigma successfully commissioned and began commercial operations at its Phase 1 lithium production and processing plant ("Greentech Plant") and mine. During the course of the year, total lithium concentrate production exceeded 105,000 metric tonnes, with operations sustaining annualized nameplate capacity utilization rates of 270,000 metric tonnes for the month of December.

The Company also advanced its plans to triple its lithium concentrate production capacity. This included completing engineering to FEL-3 stage precision of its Phase 2 and 3 Greentech plants. Said plants are to source feedstock ore from the Barreiro and Nezinho do Chicão deposits, which was investigated in the preliminary feasibility study ("PFS") included in the Restated Technical Report filed on June 12, 2023.

Congruent with its efforts to expand its production footprint were initiatives to build upon its existing resource estimate. In 2023 the Company completed a 30,000 meter drill campaign which resulted in an increase to its overall, pit constrained, measured, indicated and inferred resource estimate as published on January 31, 2024.

In November 2023 the Company actively participated at COP-28, where multiple members of the senior management team hosted workshops on "Impact Investing in Mining." CEO and Co-Chairperson Ana Cabral-Gardner was featured as a keynote speaker.

On October 6, 2023, Sigma Lithium announced the promotion of Reinaldo Brandao, Keith Prentice and Iran Zan to the positions of Co-General Managers of Mining, Processing and Geology, respectively. The leaders were promoted following the successful commissioning and ramp of the company's phase 1 Greentech plant and following the departure of company COO, Brian Talbott, for health reasons.

In September 2023 Sigma was also a participant on "Combining Environmental and Social Agendas" panel at the Brazil Climate Summit at Columbia Business School.

On August 11, 2023, Caio Araujo was appointed as Chief Financial Officer of Sigma Lithium following the tenure of interim CFO Rodrigo Menck. Araujo joined Sigma Lithium in June 2023 and has 33 years of experience in finance and controlling, having started his career at PwC. Previously he was CFO at a portfolio company of BTG. Mr. Araujo most recently headed the finance department at CSN, one of the first Brazilian metals and mining companies to register an ADR level on the NYSE, where he implemented the SEC reporting/SOX compliance.



On June 12, 2023, the Company filed the Restated Technical Report on SEDAR and EDGAR, which includes all of the study results and resource and reserve estimates which were included in the Updated Technical Report, and which includes updated information on the licensing and regulatory approval status of the Project and the Murial drilling program. The Restated Technical Report was prepared by independent mining consultancies and the professional services firms Primero Group Ltd ("Primero"), SGS Canada Inc. ("SGS"), and GE21 Consultoria Mineral ("GE21") Please refer to "Description of the Business – Current Status of the Project". For further information on Sigma's ESG and sustainability programs, please refer to the most recent MD&A of the Company.

On April 17, 2023 the Company announced that it had initiated production of spodumene concentrate from its Phase 1 Greentech Plant. Production followed the successful commissioning of the dense media separation line, after having completed construction and commissioning of the crushing circuit earlier in the year.

2022

In 2022, activity was primarily focused on the construction of the Phase 1 Greentech Plant and pre-mining activities to establish operational readiness ahead of first production. Construction activity progressed throughout the year on schedule, with the Company employing a workforce of more than 1,000 by the fourth quarter of 2022 (approximately 40% comprised of Jequitinhonha Valley region community members, where the Project is located) and crushing circuit commissioning commencing as planned in December 2022.

On December 4, 2022, the results of the Phase 2 & 3 PFS, highlighted a combined Project net present value and internal rate of return of US$15.3 billion and 1,273%, respectively, along with a maiden Phase 3 proven and probable mineral reserve estimate of 21.2 Mt grading at 1.45% Li_2O, comprised of 2.2 Mt of proven mineral reserves grading at 1.53% Li_2O and 19.0 Mt of probable mineral reserves grading at 1.44% Li_2O. The Company later filed the associated Updated Technical Report on SEDAR and EDGAR on January 16, 2023.The Updated Technical Report was prepared by an independent mining consultancies and the professional services firms Primero, SGS, and GE21. This approach was the result of a thorough review of the Company's strategic priorities, with the objective of potentially responding to a significant increase in demand from its potential customers and solidifying its unique market position as a future supplier of high purity 5.5% battery grade lithium concentrate ("Green Lithium").

Additionally, on December 4, 2022, the Company secured a US$100,000,000 pre-export financing agreement with Synergy Capital, one of Sigma's current investors based in the United Arab Emirates (the "Synergy Financing"). The Synergy Financing is a senior secured facility available by way of a multi-draw term loan that contemplates a 48-month term and a borrowing rate of twelve-month BSBY plus 6.95% per annum.

In November 2022, the Company actively participated with its entire ESG leadership team at COP-27 in Egypt. The team collectively participated in more than 25 events, panels, and workshops. Ana Cabral-Gardner was invited by UN-DESA to host a workshop at the SDG Pavilion at COP-27 where it presented a framework to apply UN-SDGs to mining projects globally, in order to measure sustainability and overall economic and social impact. Additionally, Ms. Cabral-Gardner made the keynote presentation on "circular economy" at COP Investments (hosted by the World Climate Fund), presenting the Company strategy to become the first "Zero Tailings" lithium producer by upcycling 100% its hazardous chemicals free" tailings from the Greentech Plant. Ms. Cabral-Gardner also participated at the "Acceleration to Net Zero Series" of McKinsey & Co. at COP-27 with leading sustainability professionals across fields.

On November 17, 2022, to preserve maximum commercial optionality for sales of the Project's Green Lithium, the Company terminated the heads of agreement that was previously entered into with Mitsui & Co. Ltd. ("Mitsui") on March 26, 2019 (the "Mitsui HOA").

On June 22, 2022, the Company estimated a maiden Phase 3 mineral resource of 23.3 Mt of measured and indicated resources grading at 1.49% Li_2O and 3.5 Mt of inferred resources grading at 1.48% Li_2O. The Company later filed the associated technical report on SEDAR and EDGAR on August 4, 2022.



On May 25, 2022, the Company filed a technical report associated with an updated Phase 1 feasibility study (the "Phase 1 FS"), a maiden Phase 2 proven and probable mineral reserve estimate of 21.8 Mt grading at 1.37% Li2O, comprised of 16.9 Mt of proven mineral reserves grading at 1.38% Li2O and 4.8 Mt of probable mineral reserves grading at 1.29% Li2O and a Phase 2 preliminary feasibility study (the "Phase 2 PFS") on SEDAR and EDGAR.

2021

On December 23, 2021, the Company completed a non-brokered private placement (the "December 2021 Offering") of 11,634,137 Common Shares at a price of CAD11.75 per Common Share for aggregate gross proceeds of CAD136.7 million (approximately US$106 million). Given the strong investor interest, the December 2021 Offering was upsized twice, first by approximately 42% and then subsequently by an incremental 60%. As part of the December 2021 Offering, funds and accounts managed by BlackRock purchased 4,372,766 Common Shares for an aggregate subscription of approximately CAD51.4 million. Concurrently, BlackRock purchased 1,093,191 Common Shares at the same offering price on a secondary basis from the largest shareholder of the Company, A10 Fund, for an aggregate purchase price of approximately CAD12.8 million.

In December 2021, the Company began issuing letters of intent ("LOIs") for long lead items for the construction of the Phase 1 Greentech Plant as the December 2021 Offering was completed, the front-end engineering and design ("FEED") was finalized and the final capital expenditure ("CAPEX") budget with a project execution plan ("PEP") was completed. Following the successful conclusion of the first phase of FEED, Promon Engenharia Ltda. ("Promon") and Primero remained engaged by the Company and continued to focus on negotiating and securing long lead items for the construction of the Phase 1 Greentech Plant. Promon and Primero also led the detailed engineering, procurement and construction management ("EPCM") for the Phase 1 Greentech Plant construction.

On December 2, 2021, the Company filed an amended and restated technical report associated with a Phase 1 feasibility study and a Phase 2 preliminary economic analysis on SEDAR and EDGAR, which made amendments to the technical report previously filed on July 15, 2021.

On September 13, 2021, the Company completed its dual-listing process and the Common Shares began trading in the U.S. on the Nasdaq. The Company is pleased to report that its corporate governance policies and the make up of the Board are compliant with required Nasdaq and SEC governance standards, including Nasdaq's diversity requirement for a company's board to have at least one female director and at least one additional diverse director.

On September 8, 2021, there was the appointment of Ana Cabral-Gardner as Co-CEO, then joining Calvyn Gardner, who was previously CEO and also became Co-CEO as well as the new management appointment of Felipe Peres as Chief Financial Officer. The Company also announced the constitution of an ESG Board Committee resulting from the program intended to achieve net zero emissions by 2024 and the issuance of performance-based restricted share units of the Company ("RSUs") to the then Co-CEOs.

On February 12, 2021, the Company completed a non-brokered private placement (the "February 2021 Offering") of 9,545,455 Common Shares at a price of CAD4.40 per Common Share for aggregate gross proceeds of CAD42.0 million. The size of the February 2021 Offering reflected a significant upsizing due to strong institutional investor demand.

DESCRIPTION OF THE BUSINESS

Overview

Sigma is a commercial producer of high purity, environmentally conscious, lithium concentrate. The Company's existing Phase 1 operations and planned tripling of capacity through Phase 2 and 3 expansions represent what we believe to be one of the largest hard rock lithium mining and beneficiation complexes in the Americas. Its assets are located in the municipalities of Araçuaí and Itinga in the northeastern part of the state of Minas Gerais, Brazil. The Company owns 100% of the Project indirectly through its wholly-owned subsidiary Sigma Brazil, with the Project area comprised of 29 mineral rights (which include mining concessions, applications for mining concessions, exploration authorizations, applications for mineral exploration authorizations) spread over 185 km², located within the broader 19,000-hectare land package held by Sigma Brazil (containing the Grota do Cirilo, Sao Jose, Genipapo and Santa Clara properties).



Sigma's Common Shares are listed and trade under the symbol *SGML* on the TSXV and Nasdaq.

Lithium Properties

Sigma's mineral concessions comprise four properties: Grota do Cirilo (the area of the Project where Phase 1 and Phases 2 and 3 are located), and the Sao Jose, Genipapo and Santa Clara properties. The Project consists of 29 mineral rights (which include mining concessions, applications for mining concessions, exploration authorizations, applications for mineral exploration authorizations) spread over 185 km^2.

The properties are located in the northeastern part of the state of Minas Gerais, in the municipalities of Araçuaĩ and Itinga, approximately 25 km east of the town of Araçuaĩ and 600 km northeast of Belo Horizonte, the state capital. The Project is approximately 700 km from the Port of Vitoria, from where the Company ships its concentrate to global markets.

Operations

Sigma Lithium's operations are vertically-integrated, with the Company's mining activities supplying spodumene bearing material to its Greentech Plant. The Greentech Plant is designed to process 5.2% to 6.0% high purity lithium concentrate (the "Green Lithium"), engineered to the specifications of the Company's customers in the rapidly expanding lithium-ion battery supply chain for EVs, in an environmentally friendly way through a fully automated and digital dense medium separation ("DMS") technology process. The Greentech Plant was built after the completion of engineering to the level of FEL-3 stage precision by Primero and extensive testing at the Company's on-site demonstration pilot plant, which had been in operation since late 2018 and ceased operation upon commissioning of the Company's Phase 1 Greentech Plant. It is important to mention that the demonstration plant was used to make initial samples that were sent to clients for testing. Samples were not commercialized.

The Greentech Plant operations also produce a low-grade, high-purity, zero-chemical, hypofine by-product ("Green By-Products") at approximately 1.3% lithium oxide ("Li2O"), which can be sold to strengthen the Company's ESG-centric approach to pioneer a "zero tailings" environmental sustainability strategy, minimizing the environmental footprint of tailings storage with a positive ecosystem impact, while also generating an additional revenue stream to the Company.

As the Company's mission statement has been guided by adhering to the highest level of environmental, social and governance ("ESG") practices since inception in 2012, the Project is being developed in a sustainable way. Additionally, the Company is focused on social programs promoting sustainable development, inclusion (including on the Company's Board), and upskilling local people in the region where the Company operates. As a result, the Company has committed to the strategies outlined in Table 1 below, to advance the development of the Project in a responsible and sustainable way. The Company is proud to report that it has successfully delivered on its "net zero carbon" program through the purchase of carbon credit "in-setting", achieving "quintuple zero" production from the onset. Over the long term, Sigma plans to build upon its ESG commitments through more innovative programs including increasing its trucking fleet's fuel consumption to a target of 50% biofuels.



Table 1: Summary of Sigma's ESG-Driven Decisions & Strategies

Governance	Sustainable Development	Greentech Plant
CEO / Co- Chairpersons: 100% / 50% female(1)	Phase 1 built as two pits to preserve seasonal stream	Zero net carbon, tailings dams and hazardous chemicals
Board Independence: 67% independent(2)	Social programs / commitment to local hiring and training	Zero potable water use
Board Committees Chair Independence: 88% independent(3)		100% green hydro power
Board Diversity: 33% female representatives / LGBTQ representation(4)		

(1) The Company's CEO is female (100%); and the Board of Directors has two chairpersons whose one (50%) is female.
(2) The Board of directors has six members, and four of them (67%) are independent.
(3) The Board Committees, which includes "Audit Committee", "Compensation & Governance", "ESG Committee" and "Technical Committee" has eight members, and seven of them (88%) are independent.
(4) The Board of directors has two members (33%) that represent women and LGBTQ community.

The Company is taking a phased approach to its operations, with production at its Phase 1 Greentech Plant and associated mine successfully initiated in April 2023. At 270,000 tonnes per annum of 5.5% spodumene concentrate production capacity, Phase 1 has positioned the Company as a globally relevant, Tier 1, concentrate producer. The Company plans to expand its production footprint through the buildout of Phase 2 and ultimately Phase 3 Greentech Plants, which would nearly triple production from current levels. The existing shared infrastructure built with the Phase 1 Greentech Plant is expected to support these two additional production lines, with each of the phases designed to follow a similar flowsheet as demonstrated at Phase 1.

Figure 1: Overhead view of Greentech Plant, with DMS circuit in foreground and crushing circuit in the background





Figure 2: North Pit Mining



Figure 3: South Pit Mining & Ore Stockpiling



Overview of Phase 1 Commissioning and Ramp

Sigma finished construction of its Phase 1 Greentech Plant in calendar 1Q 2023 (January 1 to March 31, 2023), with first commercial production in April 2023. Sigma was able to achieve initial production on schedule as a result of accelerating construction activity in the fourth quarter of 2022, with the construction workforce increasing to more than 1,000 workers. Initial complications with the first of its kind in the lithium market, dry-stacking circuit, were overcome in June 2023. Monthly production increased successively through December 2023, when the facility sustained operations at average annualized nameplate capacity levels. As of the end of the fiscal year of 2023, the Company has achieved the following significant milestones:

- Produced 105.1k tonnes of Green Lithium concentrate.
- Shipped a total of 102.5k tonnes of Green Lithium shipped over the course of the twelve months ended December 31, 2023.,
- Sustained average production at nameplate capacity levels for the entire month of December, resulting in the production of 22.5kt of Green Lithium over the 31-day period.
- Achieved record 24-hour period production of 890 tonnes of Green Lithium in October 2023 with design recovery of 65% and Greentech Plant utilization rate of 85% achieved during the 24-hour period.
- Completed a shipment of 15 k tonnes of Green By-Products to Yahua, our first client in July 2023.
- Completed the coarse and fines DMS circuits commissioning and initial production on schedule in April 2023;
- Completed the electromechanical assembly of the raw water supply piping and the installation of equipment, including water tanks in February 2023;
- Completed crushing circuit commissioning on schedule in February 2023.

Going forward, the Company intends to remain focused on completing the following key workstream in 2024:

- Sustaining production at nameplate levels;
- Come to a formal Final Investment Decision (FID) on the Phase 2 facility and commence construction; and Continue greenfield and brownfield resource exploration work.



Health & Safety

Health and safety remains one of Sigma's primary focuses at the construction phase, and the Company is proud to report the operational health and safety strategy:

- The Company is in the process of developing a Health, Safety and Environment Management System with the goal of enhancing its resilience, efficiency, and creating value for the community in which it operates.

- Organizational learning meetings have been established. Led by site-based directors, these meetings aim to continually enhance the work environment and the health and safety processes.

The Company upholds employee involvement as a core principle in continuously improving the health and safety system. This commitment is reinforced daily through the strengthening of the Internal Accident Prevention Committee.

Phase 2 Development & Final Investment Decision

During 2023, the Company continued to advance development work for a potential Phase 2 or Phase 2 & 3 production expansion, after announcing the results of the Phase 2 & 3 PFS in December 2022. On March 22, 2024, Sigma Lithium Board of Directors made a Final Investment Decision to double production of its unique Quintuple Zero Green Lithium from the current 270,000 tonnes to 520,000 tonnes. The Board of Directors approved the initiation of construction of a second line of its Greentech Industrial Plant (Phase 2) with Capex of $136 million (FEL3).

The Phase 2 & 3 PFS investigated the opportunity to fast-track Phase 3 production and to build a dual plant which could process both Phase 2 and Phase 3 ore feed simultaneously to deliver a greater production increase in 2025 (if warranted by feasibility study) versus the sole Phase 2 expansion originally envisioned in the Phase 2 preliminary feasibility study completed in May 2022. However, as lithium markets have weakened, the Company has shifted its plans back towards a more incremental approach to expansion. Accordingly, the Company engaged its local Phase 1 Engineering, Procurement, Construction Management Company **("EPCM")** contractor to direct engineering and procurement initiatives on a rebuild of its Phase 1 plant, which is expected to nearly double the Company's existing production capacity.

The Phase 2 Project is expected to increase production capacity by 250,000 tons per annum of spodumene concentrate from Sigma's Grota do Cirilo operations. Once in production, Phase 2 Project is expected to lift Sigma's total nameplate capacity to roughly 520,000 tonnes per annum. The Company plans to begin Phase 2 earthworks in April 2024 and is targeting commissioning of the crushing circuit to begin in late 2024.

On April 1st, 2024, the Company announced the final investment decision of Phase 2 Industrial Plant. The Board of Directors approved the construction of the second line, the Phase 2 Greentech Plant, expanding capacity by 250,000 tons per year, with total capital expenditures expected to be $136 million (see Table 4 below). The full license to build and operate the new industrial plant ("Phase 2") was awarded to the Company in the first quarter of 2024.



Figure 4: Uses of Cash Analysis for Phase 2 Construction

Capex ('000 CAD)	Phase 1 (actual)	Phase 2 (budget)
Industrial Site Construction	**22,498**	**22,258**
Earthworks	9,758	9,758
Infrastructure	12,740	12,500
Industrial Plant	**93,095**	**83,773**
Crushing System	27,015	28,762
DMS System	42,059	41,779
Assembly Direct and Construction Management	4,120	4,612
Civil Direct and Construction Management	8,988	7,334
Substation	10,912	1,286
Environmental	**16,130**	**14,835**
Water Recycling	4,417	4,187
Tailings Dry Stack	6,330	7,671
Sewage & Water	5,383	2,976
R&D Engineering Design	**12,393**	**6,803**
Engineering	12,393	6,803
Construction Management	**8,762**	**8,658**
Construction Management	7,736	7,421
Procurement	1,026	1,237
(=) Construction Capex (*)	**152,878**	**136,327**
Construction Addition	**8,380**	**8,844**
Acceleration Plan	8,380	8,844
(=) Total Construction Capex	**161,258**	**145,170**
Others	**7,568**	**(202)**
WC (Spare Parts)	9,534	1,389
VAT Tax Benefit	(1,966)	(1,591)
(=) Total Capex	**168,826**	**144,968**

(*) Construction Capex (construction capital expenditures)

Phase 1 Mining Progress

As of the date of this AIF, the Company has achieved the following significant milestones:

- Bridge over the Piaui "seasonal stream" that divides the Phase 1 north and south pits to improve transportation efficiency completed in March 2023;
- Completed the seeding of vegetation cover for the initial waste pile slopes (where non-mineralized material will be dry stacked) in February 2023;
- Phase 1 south pit pre-stripping completed in February 2023, as the Company plans to simultaneously source feedstock ore from both the north and south pits;
- First ore blast made at the Phase 1 north pit in early November, run of mine pad was finalized in calendar 1Q 2023;
- Completed the construction of mine haul roads linking the Phase 1 north pit and Phase 1 south pit to the Greentech Plant and waste pile locations;



- Phase 1 north pit pre-stripping completed in October 2022, with sufficient ore exposed and accessible to enable mining to commence; and
- Into the commencement of mining operations and over the course 2023, the Company continued hiring key mining team personnel in preparation for and the management of full-scale mining (including senior mining engineer Reinaldo Brandão Gomes as Head of Mining Operations).

Refer to Figures 9 to 12 below for a visualization of Phase 1 mining activities and progress as of the date of this AIF. Note that the area marked in red in Figures 9 and 10 highlight exposed ore.

Going forward, the Company intends to remain focused on the following workstreams:

- Continuing to transport stockpiled ore to the run of mine pad;
- Ramping-up full-scale mining; and
- Implementing grade control systems to optimize mine and processing recovery during production ramp-up.

Sigma will employ contract mining, with Fagundes engaged as the Company's primary mining contractor.

Figure 5: Phase 1 North Pit Mining



Figure 6: Phase 1 South Pit Mining & Ore Stockpiling





Note: Red circles in Figures 9 and 10 highlight exposed ore.

Figure 7: Piaui Bridge



Figure 8: Ore Stockpiling



Licensing Updates

Phase 1 Updates

On March 31, 2023, Sigma received an operational license ("LO") for the Phase 1 north pit and Greentech Plant, and on April 30, 2023, for the Phase 1 south pit, both with an unanimous vote of approval including all the non- governmental organizations involved. This follows the Company filing its request for the LO for the Phase 1 north pit and Greentech Plant on November 16, 2022 and the Phase 1 south pit on January 23, 2023. The receipt of the LO was the last licensing step required for Sigma to produce Green Lithium.

On June 29, 2022, the Grant of Right to Use Water Resources ("Outorga de Direito de Uso de Recursos Hídricos") was approved, allowing the Company to use pit seepage water for dust suppression and other mining activities.

On June 27, 2022, the Company obtained the requested extension of its current environmental licenses for construction, installation and commissioning from COPAM. The extension allows for the simultaneous mining of the Phase 1 north pit and south pit and also allows for the Company to increase the area utilized for the dry stacking of the tailings of the Greentech Plant.

On June 23, 2022, the State Institute of Historic and Artistic Heritage of Minas Gerais ("Instituto Estadual do Patrimônio Histórico e Artístico de Minas Gerais" or "IEPHA") approved the Preliminary Cultural Impact Study, which assesses the possibility of impacts of the project on protected cultural assets.

On April 26, 2022, the COPAM, through its Biodiversity Protection Chamber ("CPB"), approved the environmental compensation proposal presented by Sigma for the vegetation suppression to be carried out. According to the proposal, Sigma will compensate for twice the area to be suppressed, through the land regularization of the Mata Escura Biological Reserve, an integral protection conservation unit located in the same hydrographic basin as the Project.



In January 2022, SUPPRI (the "Priority Projects Superintendence of Minas Gerais") issued the final request for complementary information ("Complementary Information Request"). In March 2022, the Company fully responded ("Complementary Information Reply") to the Complementary Information Request. The Complementary Information Reply included the submission to SUPPRI of the following environmental studies: Plano de Tráfego (updated traffic plan); Mapa Desvio Estrada Municipal (map and plan for deviation of municipal road); Relatório Campanhas de Monitoramento (monitoring campaigns report); Relação de Comunidades (itemization and description of each community affected); Programa de Monitoramento das Águas Superficiais (surface water monitoring program); Programa de Monitoramento das Águas Subterrâneas (underground water monitoring program); Informações Não Contempladas no PCA (additional information non-contemplated at PCA); Caracterização Hidrológica do Córrego Taquaral (hydrogeology study of Taquaral seasonal stream); Prospecção Espeleológica (report of any existing caves in the area); Plano de Reaproveitamento do Rejeito (tailings recycling plan); Drenagem Pilhas de Disposição de Rejeito/Estéril (drainage plan for tailings piles); (Implicações Inventário Vegetaçao (vegetation inventory); Programa de Resgate de Espécies da Flora Ameaçadas e Endêmicas (program for rescue of eventual endangered species of vegetation); Licença de Pesca Científica (license for scientific fishing); and Pontos de Monitoramento da Herpetofauna (monitoring points of reptile animals of the region).

Phase 2 Updates

On March 22, 2024, as laid out above, the Sigma Board of Directors issued an FID on the Phase 2 project.

On February 9, 2024, SUPPRI issued the final request for additional information ("Request for Complementary Information for Phase 2"). Sigma is preparing the responses with a protocol expected in March 2024.

On January 31, 2024 Sigma was awarded its preliminary license, along with the installation license and an operational license ("LP", "LI" and "LO", respectively) to install and operate its second Greentech Plant by the State of Minas Gerais. The Company, once again, received unanimous approval by all members of the independent State Environmental Policy Council ("COPAM") including the vote of the board members representing the NGOs ("Non-governmental organizations"). COPAM is the board responsible for voting and awarding environmental licenses in the State of Minas Gerais. The obtainment of the LP, LI and LO for its second Greentech Plant allows the Company to further expand its industrial beneficiation and processing capacity of lithium minerals to up to a total of 3.7 million tonnes per year.

On August 17, 2022, the Company filed at SUPPRI the environmental studies, including, among others, the environmental impact study and environmental mitigation plan (the "Phase 2 EIA/RIMA") for a preliminary, installation and operational license (""LP", "LI" and "LO", respectivelly) for Phase 2 and its piles. Once the EIA/RIMA is approved by the environmental authorities, the Company will be authorized to commence the construction, installation and operation of Phase 2, if a formal production decision to proceed with Phase 2 & 3 is made.

The Company conducted detailed environmental impact studies for the fauna and the flora in the area of Phase 2 where the pit and waste piles will be located. These studies started in the dry season of the second quarter of 2021 and continued throughout the wet season during the third and fourth quarters of 2021.

The design proposed by the Company in the environmental impact study and environmental mitigation plan for the area directly impacted by the Project (the "Project Impacted Area") has followed the Company's ESG-centric approach to minimize distances by combining the minimization of greenhouse gas emissions of diesel in mining trucks with a minimization of semi-arid bush and vegetation suppression. Therefore, the Company contemplated the location of its processing tailings dry stacking piles in the vicinity of the Greentech Plant.



Exploration Progress

The 2023 exploration campaign focused on expanding resource density within the Grota do Cirilo mineral concessions, with the Company's combined Measured, Inferred and Indicated tonnages increasing to 108.9Mt grading at 1.40% Li2O, from the previous estimate of 85.6Mt at 1.43% Li2O. Of this newly enlarged resource estimate, 87% comprises the higher confidence Measured and Indicated categories.

Specifically, the Phase 3 orebody (Nezinho do Chicão) was extended eastwards approaching the Phase 4 ore bodies (Maxixe, Tamboril and Lavra do Meio), in so doing consolidating 4 pegmatites into a singular, larger open pit encompassing 40.1Mt of Measured, Indicated and Inferred resource. The remaining Phase 4 (Murial) deposit is to be developed within a separate pit some 330m north of the Phase 3 megapit. The Phase 4 (Murial) deposit has grown in scale to 16.1Mt of combined Measured, Indicated and Inferred resource, notably up from the prior 5.6Mt resource. This new Phase 3 and 4 resource strike extends 3.2km, from the southern end of Nezinho do Chicão to the north end of Murial. Drilling confirms that the deposits remain open to the west and east.

Table 2: Sigma Lithium Consolidated Resource Estimate

CUT-OFF GRADE (%Li_2O)	CATEGORY	TONNES (MT)	(%Li_2O)
0.3%	Measured	45.2	1.41
0.3%	Indicated	49.1	1.39
0.3%	**M & I**	**94.3**	**1.40**
0.3%	Inferred	14.6	1.37
0.3%	**M, I & I**	**108.9**	**1.40**

In addition, the exploration program led to the discovery of two additional spodumene-bearing deposits, known as Barreiro Extension and Phase 5 (Elvira). Barreiro Extension is located 550m northwest of the Phase 2 (Barreiro) deposit; the Company is exploring the potential connectivity of these resources. Phase 5 (Elvira) is a cluster of large pegmatites located 4km south of Nezinho do Chicão. The 2023 drill campaign resulted in a maiden resource estimate for Elvira of 2.1Mt of Inferred lithium at an average grade of 1.16% Li2O. However, the Company believes, given drill intercepts to date, that the resource could grow to 20Mt over time.

The Company currently plans to drill approximately 10,000 meters in 2024, with the goal of further increasing the Company's estimated mineral resources. The Company expects any additional mineral resource growth achieved will be utilized as feedstock material to extend its operating life, if warranted after completing and analyzing a preliminary economic assessment, pre-feasibility study and feasibility study.

Royalties

The Brazilian government levies a royalty on mineral production: Compensação Financeira pela Exploração de Recursos Minerais ("CFEM"). Lithium production is subject to a 2% CFEM royalty, payable on the gross income from sales.

In addition, the Project is also subject to a net smelter return royalty ("NSR Royalty") owed to LRC LP I (a third-party) of 1% over the gross revenues of the Company from sales of minerals extracted from the Project, less taxes, returns, sales commissions, cost of insurance and freight.

The Project was also subject to an NSR Royalty of 1% to another third-party – Mr. Amilcar de Melo Afgouni ("Amilcar Royalty"). Under the agreement, Sigma Brazil had the option to repurchase the Amilcar Royalty, exercisable at any time, for $4,892 (US$3,800). Mr. Afgouni had the option to require the repurchase of the Amilcar Royalty for the same price, exercisable: (i) if Sigma Brazil commences commercial production and reaches production of 40,000 tons of lithium concentrate per year; or (ii) if the original controlling group of Sigma Holdings ceases to have an indirect interest of at least 30% in Sigma Brazil on a fully diluted basis. As of December 31, 2022, this option amounted to $5,081. Further in 2023, due to the advancement of the Company's wholly owned Grota do Cirilo lithium project, the Company exercised the option on April 13, 2023 at its fair value for $5,372.



Surface Rights and Other Permitting

Certain surface rights in the Phase 1 area, the current primary focus of the Company's activity, are held by Arqueana Empreendimentos e Participações S.A. ("Arqueana"), Miazga Participações S.A. ("Miazga") and Tatooine Investimentos S.A. ("Tatooine"). The CEO of the Company, Ana Cabral, has indirect economic interests in Arqueana and Miazga and Tatooine is controlled by Marina Bernardini . Arqueana, Miazga and Tatooine have an assignment of surface rights arrangement with Sigma Brazil to support its exploration and development activities within the Grota do Cirilo property, as well as with third-party surface owners in the Project area.

Sigma Brazil has a mining easement with a total of 413.3 hectares ("Servidão Mineral") and aims to cover areas including: waste and tailings piles, Greentech Plant, all access roads (internal), electrical substation, installation of fueling station and support structures. The Servidão Mineral was published on June 29, 2020 in the Official Gazette of the Federal Government of Brazil. It contemplates the mining and processing activities of Phase 1 (ANM Process No. 824.692/1971).

The Company also obtained a key approval by the National Mining Agency on June 4, 2021 for the Phase 2 plan with the Agência Nacional de Mineração (the "ANM") approving its economic feasibility study ("Plano Econômico de Avaliação" – PAE). This approval advanced the Phase 2 permitting process to the mining concession request stage ("Requerimento de Concessão de Lavra").

The Company holds approved economic mining plans (Plano de Aproveitamento Econômico or PAE) over the Xuxa, Barreiro, Lavra do Meio, Murial, and Maxixe deposits within the Grota do Cirilo property. The plan was approved on November 16, 2018 by the National Mining Agency.

Specialized Skills and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistics planning and implementation of exploration programs as well as regulatory, finance and accounting. To date, the Company has been able to locate and retain such professionals from Australia, Brazil, Canada, Russia, South Africa and the United Kingdom, and believes it will be able to continue to do so. The Company relies upon its management, employees and various consultants for such expertise.

Mineral Price and Economic Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Lithium markets are affected by demands for lithium batteries and global economic conditions. Fluctuations in supply and demand in various regions throughout the world are common.

Economic Dependence

The Company's business is dependent on the exploration, development and operation of lithium properties and the EV market. The Company does not expect to be dependent on any sole contract to sell the Company's products or to purchase the Company's requirements for goods, services or raw materials.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. The Company has not commenced any bankruptcy, receivership or similar proceedings during the Company's history.

Reorganizations

There have been no corporate reorganizations of the Company within the three most recently completed fiscal years.



Foreign Operations

The Project exposes the Company to various degrees of political, economic and other risks and uncertainties. See " Emerging Market Disclosure" and "Risk Factors" below.

Employees

As of December 31, 2023, the Company had 523 employees working at various locations. During construction periods, the Company's workforce can reach more than 1,000 people.

Environmental Protection

The current and future operations of the Company, including exploration and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labor standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. The Company and its subsidiaries are complying with all material aspects of the applicable legislation.

Social and Environmental Policies

The Company aims to minimize the impact of its operations on both local communities and the environment. The Company is committed to developing the Project in a responsible and sustainable manner. The Company takes its responsibilities seriously to protect the environment, to conduct business based on high ethical standards (including a commitment to not engaging in business with any persons or entities subject to multinational sanction) and to make a positive difference in the communities in which it operates.

Life Cycle Analysis and Net Zero Strategy

The Company has engaged Minviro Ltd. for the preparation of an independent ISO 14064 - 3 compliant life cycle assessment ("LCA"). The Company has engaged BeZero Carbon Ltd for the assessment of the Company's internal carbon offsetting projects ("in-setting projects") and advice on a portfolio of carbon additional in-setting projects and initiatives which the Company may undertake in order to deliver its plans to make a robust net zero declaration by 2024.

The objectives are to understand the greenhouse gas emissions associated with the positive activities of carbon sequestering undertaken by the Company, link the results to the overall carbon footprint of existing and planned operations, create an in-setting and offsetting plan for residual emissions and provide an evidence-based assessment for the Company's net zero targets. The Company will take responsibility for all of its expected scope 1, 2, and 3 emissions, as is the expectation in today's international carbon accounting environment for maximizing the robustness and defensibility of the Company's strategy. Net zero targets are undertaken in two phases: (i) net zero during 2024: incorporating scope 3 emissions from mine to port of shipment in Brazil; and (ii) deliver its plans to make a robust net zero declaration by 2025: incorporating scope 3 emissions at port of delivery.

The study and the audit are contemplating its production route of Green Lithium with spodumene mining and lithium purification and concentration production in Brazil. The final ISO 14046-3 audit report is ongoing and will include: (i) a cradle to grave life cycle inventory and impact assessment to generate impact data for climate change, water consumption, land use, waste management and certain impact categories selected by the Company; and (ii) a complete contribution analysis outlining the major inputs contributing to the impact categories.

The Company expects to publish results from the Life Cycle Analysis LCA in 2024, including its carbon insetting and off-setting strategies. The Company plans to adapt to the most up to date norms in the industry, as this is an important pillar of the Company's plans to develop and maintain a net zero strategy, while the expectations and norms for offsetting and emissions reporting continue to evolve.



SUMMARY OF THE RESTATED TECHNICAL REPORT

Set out below and up to, but excluding the Emerging Market Disclosure, is an extract from the Restated Technical Report dated March 19, 2024, with an effective date of January 18, 2024, prepared by Homero Delboni Jr, B.E., M.Eng.Sc., Ph.D., Marc-Antoine Laporte, P. Geo, Jarrett Quinn, P.Eng., Porfirio Cabaleiro Rodriguez, Meng., and William van Breugel, P.Eng. (the "TR Qualified Persons"). Reference should be made to the full text of the Restated Technical Report, which is the current technical report on the Project, is available on the Company's website at www.sigmalithium.ca or at the Company's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and is incorporated by reference into this AIF, for the detailed disclosure in respect of the Project.

All statements in the summary below are as of the effective date of the Restated Technical Report.

Property Description and Location

The Project is located in the northeastern Minas Gerais State, in the municipalities of Araçuaí and Itinga, approximately 25 km east of the town of Araçuaí and 600 km northeast of Belo Horizonte.

The Project is comprised of four properties owned by Sigma Mineração S.A ("SMSA") and is divided into the Northern Complex (the Grota do Cirilo, Genipapo and Santa Clara properties) and the Southern Complex (the São José property).

The Project consists of 29 mineral rights, which include mining concessions, applications for mining concessions, exploration permits and applications for mineral explorations authorizations, spread over 185 km², and includes nine past producing lithium mines and 11 first-priority exploration targets. Granted mining concessions are in good standing with the Brazilian authorities.

Certain surface rights in the Xuxa area, the current primary focus of mining activity, are held by two companies, Arqueana Minérios e Metais (Arqueana), Miazga Participações S.A. (Miazga) and Tatooine Investimentos S.A. (Tatooine). SMSA has entered into two right-of-way agreements with these companies to support Sigma's exploration and development activities within the Grota do Cirilo property, as well as with third-party surface owners in the Project area.

SMSA has a mining easement (Servidão Mineral) with a total of 413.3 hectares and aims to cover the areas of waste and tailings piles, production plant, all access roads (internal), electrical substation, installation of fueling station and support structures. The Servidão Mineral was published in the Official Gazette of the Federal Government. It contemplates the mining and processing activities of the Xuxa deposit and processing plant (ANM Process No. 824.692/1971).

The Brazilian Government levies a Compensação Financeira pela Exploração de Recursos Minerais (CFEM) royalty on mineral production. Lithium production is subject to a 2.0% CFEM royalty, payable on the gross income from sales. The Project is subject to one third-party net smelter return (NSR) royalties of 1%.

To the extent known to the QPs, there are no other significant factors and risks that may affect access, title, or the right or ability to perform work on the Project that have not been discussed in this Report.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Project is easily accessible from federal paved road BR-367, which runs through the northern part of the Project. Within the Project area, accessibility is provided by municipal roads. A municipal airport services the town of Araçuaí for private flights. The closest major domestic airports are located at the municipality of Vitória da Conquista, 273 km east of the Project and at the municipality of Montes Claros, 329 km west of the Project.

The Eastern Brazil region is characterized by a dry, semi-arid and hot climate. It is expected that future mining operations could be conducted year-round. Exploration activities are year-round but can be interrupted by short-term rainfall events.



Mining operations have been previously conducted in the Project area. Existing infrastructure includes power supply and substation, an extensive office block equipped with internet and telephones, accommodation for 40 persons on site, dining hall and kitchen, workshop, on-site laboratory and sample storage building, warehouse and a large store, a fuel storage facility with pumping equipment, and a water pumping facility from the Jequitinhonha River with its reservoir. The main 138 kV transmission line from the Irape hydro power station runs through the northern part of the Project area. The towns of Araçuaí and Itinga can supply certain services. Other services may be sourced from Belo Horizonte or São Paulo.

The topography consists of gently rolling hills with less than 100 m difference in elevation. The Project area typically hosts thorn scrub and savannah. Much of the area has been cleared for agriculture. The primary source of water for this project is the Jequitinhonha River.

History

Exploration and mining activities prior to Sigma's project interest were conducted by Companhia Estanìfera do Brazil (CEBRAS), Arqueana Minérios e Metais (Arqueana), Tanex Resources plc (Tanex; a subsidiary of Sons of Gwalia Ltd (Sons of Gwalia)), and RI-X Mineração S.A. (RI-X). CEBRAS produced a tin/tantalite concentrate from open pit mines from 1957 to the 1980s. Arqueana operated small open pit mines from the 1980s to the 2000s, exploiting pegmatite and alluvial gravel material for tin and tantalite. Tanex Resources obtained a project interest from Arqueana, and undertook channel sampling, air-track, and reverse circulation (RC) drilling. The Project was subsequently returned to Arqueana. In 2012, RI-X obtained a controlling interest in Arqueana, and formed a new subsidiary company to Arqueana called Araçuaí Mineração whose name was later changed to Sigma Brazil. Sigma Brazil completed mapping, data compilation, a ground magnetic survey, channel sampling, and HQ core drilling. A heavy mineral separation (HMS) pilot plant was built during 2014–2015. Lithium-specific mining activities were conducted over at least five deposits in the Northern Complex, and four deposits in the Southern Complex.

In 2017 Sigma purchased a dense media separation (DMS) unit to produce a 6% Li_2O spodumene concentrate. Sigma has completed ground reconnaissance, satellite image interpretation, geological mapping, channel and chip sampling, trenching, core drilling, Mineral Resource and Mineral Reserve estimation, and a feasibility study. Sigma initially focused on a geological assessment of available field data to prioritize the 200 known pegmatites that occur on the various properties for future evaluation. A ranking table that highlighted pegmatite volume, mineralogy and Li_2O and Ta_2O_5 grade was established. Within the more prospective areas, Sigma concentrated its activities on detailed geological and mineralogical mapping of historically mined pegmatites, in particular, on the larger pegmatites.

Geological Setting and Mineralization

The pegmatites in the Project area are classified as lithium–cesium–tantalum or LCT types. The Project area lies in the Eastern Brazilian Pegmatite Province (EBP) that encompasses a very large region of about 150,000 km^2, stretching from the state of Bahia to Rio de Janeiro state.

The pegmatite swarm is associated with the Neoproterozoic Araçuaí orogeny and has been divided into two main types: anatectic (directly formed from the partial melting of the country rock) or residual pegmatite (fluid rich silicate melts resulting from the fractional crystallization of a parent magma). The pegmatites in the Project area are interpreted to be residual pegmatites and are further classified as LCT types.

Pegmatite bodies are typically hosted in a grey biotite–quartz schist and form bodies that are generally concordant with the schist foliation but can also cross-cut foliation. The dikes are sub-horizontal to shallow-dipping sheeted tabular bodies, typically ranging in thickness from a few meters up to 40 m or more, and display a discontinuous, thin, fine-grained chilled margin. Typical pegmatite mineralogy consists of microcline, quartz, spodumene, albite and muscovite. Spodumene typically comprises about 28–30% of the dike, microcline and albite around 30–35%, and white micas about 5–7%. Locally, feldspar and spodumenes crystals can reach as much as 10–20 cm in length. Tantalite, columbite and cassiterite can occur in association with albite and quartz. The primary lithium-bearing minerals are spodumene and petalite. Spodumene can theoretically contain as much as 3.73% Li, equivalent to 8.03% Li_2O, whereas petalite, can contain as much as 2.09% lithium, equivalent to 4.50% Li_2O.



Features of the pegmatites where mineral resources have been estimated include:

- **Xuxa:** foliation concordant, strikes northwest–southeast, dips to the southeast at 40º to 45º, and is not zoned. The strike length is 1,700 m, averages 12–13 m in thickness and has been drill tested to 259 m in depth. Xuxa remains open to the west, east, and at depth.
- **Barreiro :** foliation discordant, strikes northeast–southwest, dips to the southeast at 30º to 35º, and is slightly zoned with a distinct spodumene zone as well as an albite zone. The pegmatite is about 600 m long (strike), 30–35 m wide, and 800 m along the dip direction. Barreiro remains open to the northeast and at depth.
- **Murial:** foliation discordant, strikes north–south, and has a variable westerly dip, ranging from 25º to 75º. The strike length is about 750 m, with a thickness of 15–20 m, and the down-dip dimension is 200 m. The pegmatite is zoned with a spodumene-rich intermediate zone and a central zone that contains both spodumene and petalite. The southern section of the pegmatite has lower lithium tenors than the norther portion of the dike. Murial remains open to the west, east, and at depth.
- **Lavra do Meio:** foliation concordant, strikes north–south, dips 75º–80º to the east. The strike length is 300 m with an average thickness of 12–15 m and a down-dip distance of 250 m. The pegmatite is zoned and contains both spodumene and petalite and remains open at depth.
- **Nezinho do Chicao:** The pegmatite body strikes nearly north-south (020º) and dips at 40-75º to the southeast. The dike is about 1,600 m long, 200 m down-dip and 20-30 m thick. It remains open to the north, south and at depth. The NDC pegmatite is a high-grade mix of spodumene and petalite with a variable ratio depending on the thickness of the zone.

Exploration

The development of the Project started in the second quarter of 2012, focusing on a geological assessment of available field data to prioritize the 200 known pegmatites that occur on the various properties for future evaluation. A ranking table that highlighted pegmatite volume, mineralogy and Li2O and Ta2O5 grade was established.

Within the more prospective areas, Sigma concentrated its activities on detailed geological and mineralogical mapping of historically mined pegmatites, and in particular, on the larger pegmatites, Phase 1 and Phase 2. These dikes were channel sampled and subsequently assessed for their lithium, tantalum and cassiterite potential. This work was followed by bulk sampling, drilling and metallurgical test work. In the southern complex area, Sigma geologists have visited sites of historical workings, and undertaken reconnaissance mapping and sampling activities. The Lavra Grande, Samambaia, Ananias, Lavra do Ramom and Lavra Antiga pegmatites were mined for spodumene and heavy minerals, and in some cases gem-quality crystals were targeted. These pegmatites are considered to warrant additional work.

Drilling

Drilling completed by Sigma Brazil across the Project area consists of 458 core holes totalling 82,455 m. To date, this drilling has concentrated on the Grota do Cirilo pegmatites. Drilling was completed using HQ core size (63.5 mm core diameter) in order to recover enough material for metallurgical testing. Drill spacing is variable by pegmatite, but typically was at 50 m with wider spacing at the edges of the drill pattern. Drill orientations were tailored as practicable to the strike and dip of the individual pegmatites. The drill hole intercepts range in thickness from approximately 85–95% of true width to near true width of the mineralization.

All core was photographed. Drill hole collars were picked up in the field using a Real Time Kinematic (RTK) global positioning system (GPS) instrument with an average accuracy of 0.01 cm. All drill holes were down-hole surveyed by Sigma personnel using the Reflex EZ-Track and Reflex Gyro instruments. Calibrations of tools were completed every year since 2017.

Sampling intervals were determined by the geologist, marked and tagged based on lithology and mineralization observations. The typical sampling length was 1 m but varied according to lithological contacts between the mineralized pegmatite and the host rock. In general, 1-2 m host rock samples were collected from each side that contacts the pegmatite.



Sigma Brazil conducted HQ drilling programs in 2014, 2017, 2018, 2020, 2021 and 2022 on selected pegmatite targets. The drill programs have used industry-standard protocols that include core logging, core photography, core recovery measurements, and collar and downhole survey measurements. There are no drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results in any of the drill campaigns. Drill results from Grota do Cirilo property support the Mineral Resource and Mineral Reserve (MRMR) estimates for the Phase 1 FS and the Phase 2 & 3 PFS update.

Sample Preparation, Analyses and Security

Sampling intervals were determined by the geologist, marked and tagged based on lithology and mineralization observations. The typical sampling length was 1 m but varied according to lithological contacts between the mineralized pegmatite and the host rock. In general, 1 m host rock samples were collected from each side that contacts the pegmatite.

All samples collected by SMSA during the 2014–2023 exploration programs were sent to the SGS Geosol laboratory (SGS Geosol) located in the city of Belo Horizonte, Brazil. A portion of the 2017–2018 and 2020-2023 sample pulps were prepared by ALS Brazil Ltda. in Vespasiano, Brazil (ALS Vespasiano) and shipped to ALS Canada Inc. Chemex Laboratory (ALS Chemex) in North Vancouver, BC, Canada for cross check validation. A portion of the 2014 samples were resampled by the QP and sent for validation to the SGS Lakefield Laboratory (SGS Lakefield) in Lakefield Canada. All laboratories, including ALS Chemex, ALS Vespasiano, SGS Lakefield and SGS Geosol are ISO/IEC 17025 accredited. The SGS Geosol laboratory is ISO 14001 and 17025 accredited by the Standards Council. All laboratories used for the technical report are independent from SMSA and Sigma and provide services to SMSA pursuant to arm's length service contracts.

Sample preparation conducted at SGS Geosol consisted of drying, crushing to 75% passing 3 mm using jaw crushers, and pulverizing to 95% passing 150 mesh (106 µm) using a ring and puck mill or a single component ring mill. In 2017, SGS Geosol performed 55-element analysis using sodium peroxide fusion followed by both inductively coupled plasma optical emission spectrometry (ICP-OES) and inductively coupled plasma mass spectrometry (ICP-MS) finish (SGS code ICM90A). This method uses 10 g of the pulp material and returns different detection limits for each element and includes a 10 ppm lower limit detection for Li and a 10,000 ppm upper limit detection for Li. In 2018, SGS Geosol used a 31-element analytical package using sodium peroxide fusion followed by both Inductively Coupled Plasma Atomic Emission Spectrometry (ICP-AES) and ICP-MS finish (SGS code ICP90A). The 2020-2022 samples were assayed by SGS Geosol with a 31-element analytical package using sodium peroxide fusion followed by both Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) and ICP-MS finish (SGS code ICP90A) For Li, the lower limit of detection is 10 ppm, and the upper limit of detection is 15,000 ppm (1.5% Li).

Sample preparation at ALS Vespasiano comprised drying, crushing to 70% passing 2 mm using jaw crushers, and pulverizing to 85% passing 200 mesh (75 µm) using a ring and puck mill or a single component ring mill. Lithium and boron were determined by sodium peroxide fusion followed by ICP-AES analysis (ALS Chemex method ME-ICP82b).

The 2017 witness samples collected on the 2014 drill core were analyzed at SGS Lakefield using sodium peroxide fusion followed by both ICP-OES and ICP-MS finish (SGS code ICM90A).

In addition to the laboratory quality assurance quality control (QA/QC) routinely implemented by SGS Geosol and ALS Chemex using pulp duplicate analysis, SMSA developed an internal QA/QC protocol for the Xuxa drilling, which consisted of the insertion of analytical standard reference materials (standards), blanks and core duplicates on a systematic basis with the samples shipped to the analytical laboratories. In 2017 and 2021, Sigma also sent pulps from selected mineralized intersections to ALS Chemex for reanalysis. No pulp reanalysis was performed by Sigmain 2013 and 2014. A total of 729 pulp samples from the 2017, 2018, 2020 and 2021 Xuxa, Barreiro, Murial and Lavra do Meio drilling programs were sent to ALS Vespasiano for third-party verification.

SMSA inserted standards in sample batches during the 2014, 2017–2018 and 2020-2022 sampling programs. The 2017–2018 campaign used seven certified standards from African Mineral Standards (AMIS), an international supplier of certified reference materials while the 2020-2022 campaign used four certified AMIS standards. A total of 88 standards were inserted during the 2017 campaign and 315 were inserted during the 2018 campaign, with a further 73 standards submitted in the 2021 campaign and 210 samples submitted in 2021-2022. Results were considered acceptable, and no material accuracy issues were noted.



During the 2017–2018 and 2020-2022 campaigns SMSA included insertion of analytical blanks in the sample series as part of their internal QA/QC protocol. The blank samples, which are made of fine silica powder provided by AMIS, are inserted an average of one for every 20 samples by the SMSA geologist and subsequently sent to SGS Geosol. The same procedure was used by SMSA for the 2014 drilling campaign. A total of 939 analytical blanks were analysed during the 2014, 2017–2018 and 2020-2022 exploration programs. Results were considered acceptable, and no material contamination issues were noted.

SMSA inserted coarse duplicates every 20th sample in the sample series as part of their internal QA/QC protocol. The sample duplicates correspond to a quarter HQ core from the sample left behind for reference, or a representative channel sample from the secondary channel cut parallel to the main channel. Assay results were considered acceptable between the two sample sets.

Bulk densities of the lithologies were measured by SGS Geosol by pycnometer measurement. Measurements were by lithology with special attention to the lithium bearing pegmatite. Separate measurements were made for the Xuxa, Barreiro, Murial, Lavra do Meio and NDC deposits.

A total of 219 measurements were made on Xuxa core from 2017–2021. Of the 219 measurements, 26 were made on albite-altered pegmatite, 69 on schist, and 121 on lithium-bearing pegmatite. For Barreiro, a total of 471 measurements were made on core from the 2018 and 2021 drill programs. Of the 471 measurements, 94 were made on albite-altered pegmatite, 206 on schist, and 164 on lithium-bearing pegmatite. For Murial, a total of 134 measurements were made by the same method on core from the 2018 drill program. Of the 134 measurements, 32 were made on the albite-altered pegmatite, 58 on the schist and 44 on the lithium bearing pegmatite. For Lavra do Meio, a total of 51 measurement were made by the same method on core from the 2018 drill program. Of the 51 measurements, nine were made on the albite altered pegmatite, 22 on the schist and 20 on the lithium bearing pegmatite. For NDC, a total of 292 lithium-bearing samples had density measurements calculated, comprising 196 spodumene samples and 96 petalite samples.

In 2017, SGS validated the exploration processes and core sampling procedures used by SMSA as part of an independent verification program. The QP concluded that the drill core handling, logging and sampling protocols are at conventional industry standard and conform to generally accept best practices. The chain of custody was followed by SMSA employees, and the sample security procedure showed no flaws. The QP considers that the sample quality is good and that the samples are generally representative.

As additional QAQC, SMSA sent 664 samples from the 2017-2018 Grota do Cirillo drilling campaign to ALS Chemex for analysis using the protocol ME-ICP82b with sodium peroxide fusion. Preparation was done by ALS Vespasiano and the samples were subsequently shipped to Vancouver. The average Li concentration for the original was 6,411.4 ppm Li while the duplicate average was 6,475.9 ppm Li. This indicates a slight bias of the ALS Chemex duplicates which is well within the accepted margin of error.

Sigma sent 65 samples from the 2021 Barreiro drilling campaign to ALS Chemex for check sample analysis using the ALS Chemex protocol ME-ICP82b with sodium peroxide fusion.

The average lithium concentration for the original samples was 6,518.0 ppm Li and the duplicates averaged 6,559.7 ppm Li, with an average difference of 41.7 ppm or 0.6%. The correlation coefficient R^2 of 0.9854 suggests a strong correlation and a high similarity between the two sets of samples.

Sigma sent 304 samples from the 2021-2022 NDC drilling campaign to ALS Chemex for check sample analysis using the ALS Chemex protocol ME-ICP82b with sodium peroxide fusion.

The average lithium grade for the original samples was 1.38% Li_2O and the duplicates averaged 1.39% Li_2O. The correlation coefficient R^2 of 0.98 suggests a strong correlation and a high similarity between the two sets of samples.

A total of 216 coarse duplicates and 216 pulp duplicates from NDC were submitted for analysis from the 2021 and 2022 drill programs. For the coarse duplicates, the average of the original samples was 1.44% Li_2O, while the duplicates averaged 1.42% Li_2O, while the original pulp samples averaged 1.43% Li_2O, with the pulp duplicates also averaging 1.43% Li_2O.



Overall, the QP is confident that the system is appropriate for the collection of data suitable for a Mineral Resource estimate and can support Mineral Reserve estimates and mine planning.

Data Verification

Visits to the Project site were conducted by Marc-Antoine Laporte, P.Geo., M.Sc. from September 11 to September 15, 2017, from July 11 to July 17, 2018, from September 18 to 23, 2018, from October 18 to 21, 2021 and from May 30 to June 1, 2022. These visits enabled the QP to become familiar with the exploration methods used by SMSA, the field conditions, the position of the drill hole collars, the core storage and logging facilities and the different exploration targets.

The database for the Project was transmitted to SGS by Sigma as comma separated values (csv) files and regularly updated by Sigma geologists. The database contains data for: collar locations; downhole surveys; lithologies and lithium assays. Upon importation of the data into the SGS proprietary modelling and mineral resources estimation software (Genesis©), SGS conducted a second phase of data validation where any discrepancies were identified and removed from the database, after consultation and verification with Sigma geologists. Finally, SGS conducted random checks on approximately 5% of the assay certificates, to validate the assay values entered in the database.

Witness sampling was undertaken in 2017 on previously sampled mineralized intervals, with the remaining half core cut to quarter core, and the samples submitted to the SGS Lakefield lab for analysis. A total of nine mineralized intervals were sampled to compare the average grade for the two different laboratories. The average for the original samples is 1.61 % Li_2O while the average for the control samples is 1.59 % Li_2O. The average grade difference is 0.02% which makes a relative difference of 1.28% between the original and the control samples.

Following the data verification process and QA/QC review, the QP is of the opinion that the sample preparation, analysis and QA/QC protocol used by SMSA for the Project follow generally accepted industry standards and that the Project data is of a sufficient quality

Mineral Processing and Metallurgical Testing

Xuxa

Drill core samples from the Xuxa deposit were processed at the SGS Lakefield facility in 2018 and 2022, samples from the Barreiro deposit were tested between November 2020 and May 2021, and samples from the Nezinho do Chicao deposit in 2022. Work conducted on the Xuxa deposit samples included comminution, heavy liquid separation (HLS), REFLUX™ classifier, dense media separation (DMS) and magnetic separation. The Barreiro deposit test work program included sample characterization, grindability testing, HLS and DMS metallurgical test work. The Nezinho do Chicao deposit test work program included sample characterization, mineralogical analyses, HLS, DMS, and magnetic separation. Xuxa

Drill core samples were selected and combined into six variability (Var) samples for a test work program comprising of mineralogical analyses, grindability, HLS, REFLUX™ classifier, DMS, and magnetic separation testing. Flowsheets for lithium beneficiation were developed in conjunction with the test work. The goal was to produce spodumene concentrate grading a minimum 6% Li_2O and maximum 1% Fe_2O_3 while maximizing lithium recovery.

Four HLS tests, at four crush sizes (15.9 mm, 12.5 mm, 9.5 mm, and 6.3 mm) were carried out on each of the six variability samples to evaluate the recovery. The 9.5 mm crush size was selected as the optimum crush size for DMS test work, as it resulted in the highest lithium recovery with minimal fines generation.

The DMS variability samples were each crushed to -9.5 mm and screened into four size fractions: coarse (-9.5 mm/+6.3 mm), fines (-6.3 mm/+1.7 mm), ultrafines (-1.7 mm/+0.5 mm) and hypofines (-0.5 mm). The coarse, fines and ultrafines fractions of each variability sample were processed separately for lithium beneficiation. The REFLUX™ classifier (RC) test work was carried out with a RC-100 unit for mica rejection from the fines and ultrafines fractions only. This test work was conducted at FLSmidth's Minerals Testing and Research Center in Utah, USA.



The coarse, fines and ultrafines RC underflow streams of each variability sample were processed separately through DMS. The DMS concentrate from each fraction underwent dry magnetic separation at 10,000 gauss.

The DMS test work flowsheet for the coarse and fines fractions included two passes through the DMS; the first at a lower specific gravity (SG) cut-point (~2.65) to reject silicate gangue and the second pass at a higher SG cut-point (ca. ~2.90) to generate spodumene concentrate. The coarse DMS middlings were re-crushed to -3.3 mm and a two stage HLS test was conducted. The ultrafines DMS test work flowsheet included both a single pass and a double pass DMS circuit at a high SG cut-point (~2.90) to generate spodumene concentrate.

The DMS test results demonstrated the ability to produce spodumene concentrate with >6% Li_2O in most of the tests. Based on the test work results, a lithium recovery of 60.4% was selected for plant design.

Barreiro

Four variability and one composite sample were tested for Barreiro, with the goals of the program to provide preliminary process information on the metallurgical performance of mineralized material from the Barreiro deposit. The test work program was developed based on the flowsheet developed for the Xuxa deposit. The aim of the test work program was to produce chemical grade spodumene concentrate (>6% Li2O) with low iron content (<1% Fe2O3), while maximizing lithium recovery.

Two sets of HLS tests were undertaken. The first set was conducted using the Composite to test optimal crush size (i.e., top size of 15.9 mm, 12.5 mm, 10.0 mm, and 6.3 mm). HLS tests were then performed on each variability sample at the optimum crush size. The fine fraction (i.e., -0.5 mm) was screened out from each sub-sample and the oversize fraction was submitted for HLS testing. A crush size of -10 mm was determined to be optimal and variability HLS testing was undertaken at this crush size. Interpolated stage recoveries (6% Li_2O concentrate) for the four variability samples ranged from 56.0% to 77.3%.

In all four variability samples, HLS tests produced >6% Li_2O spodumene concentrate with low iron content (<1.0% Fe_2O_3).

Pilot-scale DMS test work was operated on the composite sample. Dry magnetic separation was undertaken on the DMS feed. DMS test work results showed combined spodumene concentrate grade of 6.11% Li_2O and stage recovery of 59.5% for a global recovery of 50.9%.

Nezinho do Chicao

Three variability samples and one composite sample were tested for Nezinho do Chicao (NDC), with the goal of the program to provide process information on the metallurgical performance of mineralized material from the NDC deposit. The test work program was developed based on the flowsheet developed for the Barreiro deposit. The aim of the test work program was to produce chemical grade spodumene concentrate (>5.5% Li2O) with low iron content (<1% Fe2O3), while maximizing lithium recovery.

HLS tests were undertaken across four different crush sizes (i.e., top size of 15.9 mm, 12.5 mm, 9.5 mm, and 6.3 mm) to determine the optimum crush size, for each ore (high grade, medium grade and low grade). The fine fraction (i.e., -0.5 mm) was screened out from each sub-sample and the oversize fraction was submitted for HLS testing. A crush size of -9.5mm was determined to be optimal and variability HLS testing was undertaken at this crush size. Interpolated stage recoveries (5.5% Li_2O concentrate) for the three variability samples ranged from 58.7% to 61.4%, and the master composite a nominal 57.8%, for the 9.5mm crushed process step 1.54% Li_2O head grade.

Pilot-scale DMS test work was operated on the composite sample. Dry magnetic separation was undertaken on the DMS feed. DMS test work results showed combined spodumene concentrate grade with petalite 5.50% Li_2O and stage recovery of 58.7% for a global recovery of 50.6%.



Mineral Resource Estimates

Mineral Resources for the Grota do Cirilo project were estimated using a computerised resource block model. Three-dimensional wireframe solids of the mineralisation were defined using drill hole Li2O analytical data.

Data were composited to 1 m composite lengths, based on the north–south width of the block size defined for the resource block model. Compositing starts at the schist-pegmatite contact. No capping was applied on the analytical composite data. The Xuxa model used a 5 m x 3 m x 5 m block size and while the Barreiro, Murial, Lavra do Meio, Nezhino do Chicao, Maxixe, Tamboril and Elvira models used a 5 m x 5 m x 5 m block. Average densities were applied to blocks, which varied by pegmatite, from 2.65 t/m3 at Lavra do Meio to 2.71 t/m3 at Barreiro.

Variography was undertaken for Xuxa, Barreiro, NDC and Murial models and the projection and Z-axis rescaling were done according to the mineralization orientation.

The grade interpolation for the Xuxa, Barreiro, NDC and Murial resource block models were completed using ordinary kriging (OK). The Lavra do Meio, Maxixe, Tamboril and Elvira models were estimated using an inverse distance weighting to the second power (ID2) methodology. The interpolation process was conducted using three successive passes with more inclusive search conditions from the first pass to the next until most blocks were interpolated.

The estimates and models were validated by statistically comparing block model grades to the assay and composite grades, and by comparing block values to the composite values located inside the interpolated blocks. The estimates were considered reasonable.

Mineral Resources are classified into Measured, Indicated and Inferred categories. The Mineral Resource classification is based on the density of analytical information, the grade variability and spatial continuity of mineralization.

Conceptual economic parameters were used to assess the reasonable prospects of eventual economic extraction. A series of economic parameters were estimated to represent the production cost and economic prospectivity of an open pit mining operation in Brazil and came either from SGS Canada or SMSA. These parameters are believed to be sufficient to include all block models in future open pit mine planning, due mostly to the relatively low mining costs in Brazil.

The combined Mineral Resource estimate for the Grota do Cirilo project is reported in Table 1-1, while the individual MREs for the different pegmatites are reported in Table 1-2 to Table 1-9 using a 0.3% Li2O cut-off. The Mineral Resource estimates are constrained by the topography and are based on the conceptual economic parameters. The Xuxa estimate has an effective date of the 10th january 2019, the Barreiro estimate has an effective date of the 10th February 2022, and the NDC, Murial, Lavra do Meio, Maxixe, Tamboril and Elvira estimates have an effective date of the 18th January 2024. The QP for the estimates is Mr. Marc-Antoine Laporte, P.Geo., an SGS employee.

Table 0-1: Grota do Cirilo Complete Mineral Resource Estimate

CUT-OFF GRADE LI_2O (%)	CATEGORY	TONNAGE (T)	AVERAGE GRADE LI_2O (%)	LCE (KT)
0.3	Measured	45.2	1.41	1,576
0.3	Indicated	49.1	1.39	1,688
0.3	**Measured + Indicated**	**94.3**	**1.40**	**3,265**
0.3	Inferred	14.6	1.37	495

Notes to accompany Mineral Resource table:

1. Mineral Resources have an effective date of the January 18, 2024 and have been classified using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Marc-Antoine Laporte, P.Geo., an SGS employee.
2. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
3. Mineral Resources are reported assuming open pit mining methods, and the following assumptions: lithium concentrate (6% Li2O) price of US$1,300/t, mining costs of US$2.2/t for mineralization and waste, crushing and processing costs of US$10.7/t, general and administrative (G&A) costs of US$4/t, concentrate recovery of 60%, 2% royalty payment, pit slope angles of 55º, and an overall cut-off grade of 0.3% Li2O.



4. Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
7. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Table 0-2: NDC Deposit Mineral Resource Estimate

CUT-OFF GRADE Li_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE Li_2O (%)	CONTAINED LCE (KT)
0.3	Measured	2.4	1.58	94
0.3	Indicated	31.2	1.43	1,103
0.3	**Measured + Indicated**	**33.6**	**1.45**	**1,205**

Table 0-3: Murial Deposit Mineral Resource Estimate

CUT-OFF GRADE Li_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE Li_2O (%)	LCE (KT)
0.3	Measured	10.1	1.31	327
0.3	Indicated	3.4	1.07	90
0.3	**Measured + Indicated**	**13.5**	**1.25**	**417**
0.3	Inferred	2.6	1.29	83

Table 0-4: Lavra do Meio Deposit Mineral Resource Estimate

CUT-OFF GRADE Li_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE Li_2O (%)	LCE (KT)
0.3	Measured	3.0	1.16	86
0.3	Indicated	1.2	1.20	36
0.3	**Measured + Indicated**	**4.2**	**1.17**	**122**
0.3	Inferred	0.02	1.34	0.7

Table 0-5: Maxixe Deposit Mineral Resource Estimate

CUT-OFF GRADE Li_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE Li_2O (%)	LCE (KT)
0.3	Measured	—	—	—
0.3	Indicated	—	—	—
0.3	**Measured + Indicated**	—	**—**	**—**
0.3	Inferred	1.6	1.35	53.4

Table 0-6: Tamboril Deposit Mineral Resource Estimate

CUT-OFF GRADE Li_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE Li_2O (%)	LCE (KT)
0.3	Measured	—	—	—
0.3	Indicated	—	—	—
0.3	**Measured + Indicated**	**—**	**—**	**—**
0.3	Inferred	0.7	1.05	18.1



Table 0-7: Elvira Deposit Mineral Resource Estimate

CUT-OFF GRADE LI_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE LI2O (%)	LCE (KT)
0.3	Measured	—	—	—
0.3	Indicated	—	—	—
0.3	**Measured + Indicated**	—	—	—
0.3	Inferred	2.1	1.16	60.2

Notes to accompany Mineral Resource table:

1. Mineral Resources have an effective date of the January, 18 2024 and have been classified using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Marc-Antoine Laporte, P.Geo., an SGS employee.
2. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
3. Mineral Resources are reported assuming open pit mining methods, and the following assumptions: lithium concentrate (6% Li2O) price of US$1,300/t, mining costs of US$2.2/t for mineralization and waste, crushing and processing costs of US$10.7/t, general and administrative (G&A) costs of US$4/t, concentrate recovery of 60%, 2% royalty payment, pit slope angles of 55º, and an overall cut-off grade of 0.3% Li2O.
4. Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. he results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
7. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Table 0-8: Xuxa Deposit Mineral Resource Estimate

CUT-OFF GRADE LI_2O (%)	CATEGORY	TONNAGE (MT)	AVERAGE GRADE LI_2O (%)	LCE (KT)
0.3	Measured	10.2	1.59	401
0.3	Indicated	7.2	1.49	266
0.3	**Measured + Indicated**	**17.4**	**1.55**	**667**
0.3	Inferred	3.8	1.58	149

Notes to accompany Mineral Resource table:

1. Mineral Resources have an effective date of January 10, 2019 and have been classified using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Marc-Antoine Laporte, P.Geo., an SGS employee.
2. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
3. Mineral Resources are reported assuming open pit mining methods, and the following assumptions: lithium concentrate (6% Li2O) price of US$1,000/t, mining costs of US$2/t for mineralization and waste, US$1.2/t for overburden, crushing and processing costs of US$12/t, general and administrative (G&A) costs of US$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55º, and an overall cut-off grade of 0.3% Li2O.
4. Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. The results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
7. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.



Table 0-9: Barreiro Deposit Mineral Resource Estimate

CUT-OFF GRADE LI_2O (%)	CATEGORY	TONNAGE (T)	AVERAGE GRADE LI_2O (%)	LCE (KT)
0.3	Measured	19.5	1.38	665
0.3	Indicated	6.1	1.29	195
0.3	**Measured + Indicated**	**25.6**	**1.36**	**861**
0.3	Inferred	3.8	1.38	132

Notes to accompany Mineral Resource table:

1. Mineral Resources have an effective date of February 11, 2022 and have been classified using the 2014 CIM Definition Standards. The Qualified Person for the estimate is Mr. Marc-Antoine Laporte, P.Geo., an SGS employee.
2. All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
3. Mineral Resources are reported assuming open pit mining methods, and the following assumptions: lithium concentrate (6% Li_2O) price of US$1,500/t, mining costs of US$2.2/t for mineralization and waste, crushing and processing costs of US$10/t, general and administrative (G&A) costs of US$4/t, concentrate recovery of 60.7%, 2% royalty payment, pit slope angles of 52-55º, and an overall cut-off grade of 0.3% Li2O.
4. Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. The results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
7. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Factors that can affect Grota do Cirilo Mineral Resource estimates include but are not limited to:

- Changes to the modelling method or approach.
- Changes to geotechnical assumptions, in particular, the pit slope angles.
- Metallurgical recovery assumption that are based on preliminary test results.
- Changes to any of the social, political, economic, permitting, and environmental assumptions considered when evaluating reasonable prospects for eventual economic extraction.
- Mineral Resource estimates can also be affected by the market value of lithium and lithium compounds.

Mineral Reserve Estimates

Xuxa Mineral Reserves

Phase 1 mineral reserve estimates have an effective date of June, 26 2021 and have been converted from Measured and Indicated Mineral Resources. The key parameters upon which the June, 26 2021 Mineral Reserve estimates were defined are summarized in Table 1-6.



Table 1-6 – Parameters Used in Phase 1 Pit Optimization

ITEM			UNIT	VALUE
Revenue	Sales Price		US$/t conc.*	$ 1,500
	Ore	Density	g/cm³	fixed in model
		Grade	% Li_2O	fixed in model
	Mining	Mine Recovering	%	fixed in model
		Dilution		fixed in model
	Block Model	Block Dimensions	Unit	value
	Dimensions	X x Y x Z	m	5 x 3 x 5
	General Angle	Soil	º	34
		Saprolite		37.5
		Fresh Rock		Sector 1 – 72º Sector 2 – 50º
	Processing	Metallurgical Recovery**	%	60.7
		Mass Recovery***	%	Calculated in block
		Concentrated Grade	% Li_2O	6.0
		Cut-off	% Li_2O	0.5
Costs		Mining	US$/t mined	$ 2.20
		Processing	US$/t ore	$ 10.70
		G&A (Adjusted for OPEX)		$4.00
		Sale (2% cost of sale)	US$/t product	$14.66
		Royalties (CFEM 2)%		$14.66

Notes: * conc. = concentrate, ** based on DMS Tests, *** Including 15% fines losses – FOB Mine.

Proven and Probable Mineral Reserves are as presented in Table 1-7.

Table 1-7 – Phase 1 Mineral Reserves

5 X 3 X 5 (M) BLOCK DIMENSIONS
97% MINE RECOVERY, 3.75% DILUTION
(EFFECTIVE DATE: 6/26/2021)

Category	Tonnage (mt)	Average Grade Li2O (%)	Contained LCE (kT)
Proven	8.3	1.55	320
Probable	3.5	1.54	132
Proven + Probable	**11.8**	**1.55**	**452**

Notes to accompany Mineral Reserves table:
1. Mineral Reserves were estimated using Geovia Whittle 4.3 software and following the economic parameters listed below:
2. Sale price for Lithium concentrate at 6% Li2O = US$1,500/t concentrate FOB Mine
3. Exchange rate US$1.00 = R$5.00.



4. Mining costs: US$2.20/t mined.
5. Processing costs: US$10.7/t ore milled.
6. G&A: US$4.00/t ROM (run of mine).
7. Mineral Reserves are the economic portion of the Measured and Indicated Mineral Resources.
8. 97% Mining Recovery and 3.75% Mining Dilution
9. Final slope angle: 34° to 72° based on Geotechnical Document presented in Section 16.
10. Inferred Mineral Resources with the Final Operational Pit is 0.68 Mt grading at 1.52% Li2O. The Inferred Mineral Resources are not included in the Mineral Reserves.
11. Strip Ratio = 16.6 t/t (waste+Inferred mineral resources)/mineral reserves.
12. The Qualified Person for the estimate is Porfírio Cabaleiro Rodriguez, BSc. (Meng), FAIG, an employee of GE21.

Barreiro Mineral Reserves

The Phase 2 Mineral Reserve estimates have an effective date of February 24 th, 2022 and have been converted from Measured and Indicated Mineral Resources. The key parameters upon which the February 24th, 2022 Mineral Reserve estimates were defined are summarized in Table 1-8.



Table 1-8 – Parameters Used in Phase 2 Pit Optimization

Item			Unit	Value
Revenue	Sales Price		US$/t conc.*	$1,500
	Ore	Density	g/cm³	Block model
		Grade	% Li_2O	Block model
	Mining	Mine Recovering	%	Block model
		Dilution		Block model
	Block Model Dimensions	Block Dimensions	Unit	value
		X x Y x Z	m	5 x 5 x 5
	General Angle	Overburden	º	Sector 1 – 35º Sector 2 – 37º
		Fresh Rock		Sector 1 – 55º Sector 2 – 52º
	Processing	Metallurgical Recovery**	%	60.0
		Mass Recovery***	%	Calculated in block
		Concentrated Grade	% Li_2O	6.0
		Cut-off	% Li_2O	0.5
Costs		Mining	US$/t mined	$2.19 (Ore)/$1.88 (Waste)
		Processing	US$/t ore	$10.70
		G&A (Adjusted for OPEX)		$4.00
		Sale (2% cost of sale)	US$/t product	$14.66
		Royalties (CFEM 2%)		$14.66

Notes: * conc. = concentrate, ** based on DMS Tests, *** Including 15% fines losses – FOB Mine.

Proven and Probable Mineral Reserves are as presented in Table 1-9.



Table 1-9 – Phase 2 Mineral Reserves

5 X 5 X 5 (M) BLOCK DIMENSIONS 97% MINE RECOVERY, 3.00% DILUTION (EFFECTIVE DATE: 2/24/2022) CATEGORY	TONNAGE (MT)	AVERAGE GRADE LI2O (%)	CONTAINED LCE (KT)
Proven	16.9	1.38	577
Probable	4.8	1.29	153
Proven + Probable	**21.8**	**1.36**	**730**

Notes to accompany Mineral Reserves table:

1. Mineral Reserves were estimated using Geovia Whittle 4.3 software and following the economic parameters listed below:
2. Sale price for Lithium concentrate at 6% Li2O = US$1,500/t concentrate FOB Mine.
3. Exchange rate US$1.00 = R$5.00.
4. Mining costs: US$2.19/t mined.
5. Processing costs: US$10.7/t ore milled.
6. G&A: US$4.00/t ROM (run of mine).
7. Mineral Reserves are the economic portion of the Measured and Indicated Mineral Resources.
8. 97% Mine Recovery and 3% Mine Dilution
9. Final slope angle: 35° to 55° based on Geotechnical Document presented in Section 16.
10. Inferred Mineral Resources with the Final Operational Pit is 0.59 Mt grading at 1.32% Li2O. The Inferred Mineral Resources are not included in the Mineral Reserves.
11. Strip Ratio = 12.5 t/t (waste+Inferred mineral resource)/mineral reserve.
12. The Qualified Person for the estimate is Porfírio Cabaleiro Rodriguez, BSc. (Meng), FAIG, an employee of GE21.

Nezinho do Chicao Mineral Reserves

Phase 3 Mineral Reserve estimates have an effective date of 31 st, October 2022 and have been converted from Measured and Indicated Mineral Resources, as prepared by SGS Geological Services (SGS Canada). The key parameters upon which the Mineral Reserve estimates were defined are summarized in Table 1-10.



Table 1-10 – Parameters Used in Phase 3 Pit Optimization

Item			Unit	Value
Revenue	Financial Parameters	Sales Price	US$/t conc	$3,500
		Discount rate	%	10
	ROM	Density	g/cm³	model
		Grades	% Li_2O	model
	Mining	Mining Recovery	%	model
		Dilution		model
	Block Model	Block dimensions	Unit	Value
		X	m	5
		Y		3
		Z		5
	Overall Slope Angle	Overburden	º	35
		Fresh Rock		52
	Processing	Metallurgical Recovery DMS**	%	60.7
		Mass Recovery	%	Calculated for each block
		Concentrate Grade	% Li_2O	6
		Cut-off Grade (fixed by program)	% Li_2O	0.5
Costs		Mining	US$/t mined	2.43
		Processing	US$/t ROM	10.7
		G&A		4
		Sales (2% sales cost)	US$/t product	14.66
		Royalties (CFEM 2%)		14.66

Notes: * conc. = concentrate, ** based on DMS Tests, *** Including 15% fines losses – FOB Mine.

Proven and Probable Mineral Reserves are as presented in Table 1-11.



Table 1-11 – Phase 3 Mineral Reserves

5 X 3 X 5 (M) BLOCK DIMENSIONS 94% MINE RECOVERY, 3.00% DILUTION (EFFECTIVE DATE: 10/30/2022) CATEGORY	TONNAGE (MT)	AVERAGE GRADE LI2O (%)	CONTAINED LCE (KT)
Proven	2.2	1.53	82
Probable	19.0	1.44	677
Proven + Probable	**21.2**	**1.45**	**759**

Notes to accompany Mineral Reserves table:

1. Mineral Reserves were estimated using Geovia Whittle 4.3 software and following the economic parameters listed below:
2. Sale price for Lithium concentrate at 6% Li2O = US$3,500/t concentrate FOB Mine.
3. Mining costs: US$2.43/t mined.
4. Processing costs: US$10.7/t ore milled.
5. G&A: US$4.00/t ROM (run of mine).
6. Exchange rate US$1.00 = R$5.30.
7. Mineral Reserves are the economic portion of the Measured and Indicated Mineral Resources.
8. 94% Mine Recovery and 3% Mine Dilution
9. Final slope angle: 35° to 52° based on Geotechnical Study conducted by Itaaçu.
10. Strip Ratio = 16.01 t/t (waste)/mineral reserve.
11. The Competent Person for the estimate is Porfírio Cabaleiro Rodriguez, BSc. (Meng), FAIG, an employee of GE21.

Mining Methods

Sigma has undertaken a program of resource drilling for the Phase 1, Phase 2 and Phase 3 deposits. Most drill holes have been geotechnically logged for structural data. The geotechnical data logged from these holes has been analyzed to provide estimates of slope stability, using industry standard empirical techniques.

Xuxa

The mine layout and operation are based on the following criteria:

- Two independent open pits areas: Pit 1 in the north (Xuxa Pit #1) and Pit 2 in the south (Xuxa Pit #2);
- Single access from both pits to the mine infrastructure pad and the processing plant;
- Pit-wall pre-splitting to reduce mine dilution; and
- Elevated inter-ramp angles for the waste to reduce strip ratio.

The basis for the scheduling includes:

- Six months of pre-stripping to liberate the ore;
- Pit 1 and Pit 2 will be mined in concurrently from Year 1 to Year 8 to reduce the drop-down rate and to facilitate a 1.5 Mtpa production rate
- The planned open pit mine life is about eight years
- The mining fleet is based on road trucks operated by a mining contractor.

Barreiro

The mine layout and operation are based on the following criteria:

- A single open pit on the Phase 2 pegmatite



- Low height mineralized material benches to reduce mine dilution and maximize mine recovery;
- Pre-splitting of the mineralized material to reduce mine dilution
- Elevated inter-ramp angles for the waste to reduce strip ratio.

The basis for the scheduling includes:

- Pit wall pre-stripping the pit to liberate mineralized material
- Pit push-backs in years 4 and 6 to expand and deepen pit
- Mining at a rate of 1.8 Mtpa
- The planned open pit mine life is 12 years
- The mining fleet is based on road trucks operated by a mining contractor.

Nezinho do Chicao

The mine layout and operation are based on the following criteria:

- Two independent open pits areas: Pit 1 in the north and Pit 2 in the south
- Low height mineralized material benches to reduce mine dilution and maximize mine recovery
- Pit wall pre-splitting of the mineralized material to reduce mine dilution
- Elevated inter-ramp angles for the waste to reduce strip ratio

The basis for the scheduling includes:

- Mining at a rate of 1.8 Mtpa
- The planned open pit mine life is 12 years
- The mining fleet is based on road trucks operated by a mine contractor

Recovery Methods

The processing plant was designed to produce a target 6.0% Li_2O spodumene concentrate from an ore grade of 1.46% Li_2O (diluted).

A second DMS concentrator plant would be constructed to process Phase 2 ore. This plant would produce a minimum 6.0% Li_2O spodumene concentrate from an ore grade of 1.39% Li_2O (diluted).

With the integration and proposed new development of Phase 3, the wholistic mining strategy and operational strategy will be designed around a combined Phase 2 & 3 process facility.

Compared to Xuxa and Barreiro ores, the NDC ore does not respond as well due to different lithium deportment and mineralogy, so when processed the target concentrate grade drops to a nominal 5.5% contained lithium concentrate as spodumene and petalite from an ore grade of 1.44% Li2O (diluted).

Processing Plant Description

The throughput capacity for the Phase 1 processing plant is based on 1.7 Mtpa (dry) of ore fed to the crushing circuit, while the proposed expansion for the Phase 2 & 3 plant is based on a nominal capacity of 3.9 Mtpa.

The processing plants are designed based on a proven DMS circuit and includes conventional three-stage crushing and screen circuit, up-flow classification for mica removal, two-stage coarse DMS circuit, two-stage fines DMS circuit, two-stage ultrafines circuit, as well as magnetic separation on the fines and ultrafines DMS concentrate final product streams.



When NDC ore is treated through the extension of the processing plant, a third DMS circuit is proposed, to recover additional lithium units as petalite from the spodumene DMS float stream. The sinks from this circuit reports to the tailings, while the floats (petalite) report to the spodumene stockpile.

Front-End Engineering Design (FEED) was completed for the processing plant. The Phase 1 design data is based on feasibility-level metallurgical test work conducted at SGS Canada Inc. in Lakefield, Ontario. The mass balance, process design criteria and process flow diagrams were developed based on these test work data.

Design of the combined Barreiro & NDC concentrator is based on PFS-level test work conducted by SGS Canada Inc. in Lakefield, Ontario.

Design Criteria and Utilities Requirements

The utilities consumption requirements for each plant are approximately 6.7 MW for the process plant and 1.5 MW for non-process infrastructure at the process plant.

The Phase 1 raw water consumption for process water is nominal a 35 m^3/hr (make-up raw water requirement).

The process water will be recycled within the plant using a thickener, where all fines slurry streams will be directed and recovered. This water will be pumped to the process water tank and recycled to the circuits.

Consumables will include reagents and operational consumables for the crushing circuit and the DMS plant

Project Infrastructure

The Xuxa project infrastructure has been constructed on earthworks pads for the mineral processing plant, the mine operation support units, the open pits of the mines and the areas of waste rock and tailings disposal.

If developed, the Phase 2 & 3 project will utilise the infrastructure developed for the Xuxa project

Buildings, Roads, Fuel Storage, Power Supply and Water Supply

Access to the processing plant will be by municipal roads linking to the federal road BR367. The current municipal road will be suitable for truck traffic. Sigma constructed a new section of the municipal road to bypass the plant, duly authorized by the municipality of Itinga.

The plant and mine services areas will have administrative buildings such as offices, changeroom, cafeteria, concierge, clinic, fire emergency services and operation support facilities such as workshops and warehouses.

Fuel will be stored and dispensed from a fuel facility located at the mine services area. Power will be supplied from the existing power grid line. Two main sub-stations (CEMIG and plant) will be installed to supply power to the plant, the mine services area and associated infrastructure.

Raw water will be supplied from the Jequitinhonha River, treated as necessary and reticulated within the plant for process, potable and firewater needs.



Waste Rock and Tailings Disposal and Stockpiles

At Xuxa, waste rock will be stored in five waste piles in the vicinity of the Xuxa pits. Geotechnical studies determined an optimal bench height of 20 m, with a face angle of 38°. The access ramps will be 12 m wide, with a maximum gradient of 10%.

Table 1-12 shows the capacities of the Phase 1 waste piles.

Table 1-12 – Phase 1 Waste Pile Storage

Designed Pile	Volume (Mm^3)	Area (ha)
Pile 1	16.2	35.9
Pile 2	15.1	34.1
Pile 3	1.8	8.7
Pile 4	35.9	55.8
Pile 5	2.4	8.3
TOTAL	**71.4**	**142.8**

The Barreiro waste will be stored in a single waste pile close to the Barreiro pit. The waste pile parameters are the same as the Xuxa parameters – a 20 m bench height, 38° face angle, 12 m access ramp and a maximum gradient of 10%.

Table 1-13 show the capacity of the Barreiro waste pile.

Table 1-13 – Phase 2 Waste Pile Storage

Waste Pile	
Volume (Mm^3)	110.9
Area (ha)	122.7
Maximum height (m)	220

The NDC waste will be stored in a single waste stockpile adjacent to the NDC pit. The waste pile parameters are the same as those for Xuxa and Barreiro, namely a 20 m bench height, 38° face angle, 12 m access ramp and a maximum gradient of 10%.

Table 1-14 shows the capacity of the Phase 3 waste pile.

Table 1-14 – Phase 3 Waste Pile Capacity and Surface Area

Waste Pile	
Volume (Mm^3)	162.5
Area (ha)	158.8
Maximum height (m)	225

The tailings stockpile will be fed by a radial stacker from the process plant. The tailings will then be loaded into mine trucks by front end loaders and transported to a tailings pile for storage.

Control Systems and Communication

A process control system (PCS) including a main plant supervisory control and data acquisition (SCADA) system will be installed for monitoring and control purposes.

The telecommunications network will consist of the telecommunications network, access control system and radio frequency identification (RFID).



Market Studies and Contracts

The key information contained in the market study regarding lithium demand, supply and price forecasts are summarized from Benchmark Mineral Intelligence (2023).[1]

Demand and Consumption

Lithium's demand growth profile increased dramatically in 2022, driven by structural changes in the automotive industry with manufactures increasingly transitioning towards electric vehicles ("EVs"). Benchmark Mineral Intelligence estimates that 2022 will end in a deficit position with total base-case battery demand expected to end the year at 591 GWh, translating to 475 kt of lithium carbonate equivalent ("LCE") demand, up from 348kt LCE in 2022. Total lithium demand in 2022 expected to be 613 kt of LCE vs 482 kt in 2021.

Benchmark Mineral Intelligence estimates that the supply-demand balance will tighten further going forward, with 2023 forecasted to have a base case demand from battery end-use of 630 kt LCE, a 33% increase from 2022. This deficit position is expected to continue to increase, reaching a net deficit position of 159 kt LCE by 2030 and 2,580 kt LCE by 2040.

Benchmark Mineral Intelligence estimates global EV penetration will reach 12.4% in 2022, up from 8.0% in 2021, as global EV sales continue to accelerate, particularly from Europe and China. This figure is expected to climb to 21% by 2025 and reach 74% by 2040.

Supply

Benchmark Mineral Intelligence expects lithium supply to increase over the 634 kt LCE of total supply estimated in 2022, given the robust commodity price outlook for lithium.

In the longer term, Benchmark Mineral Intelligence forecasts that the total lithium supply will reach 2.1 Mt LCE by 2030 and 3.0Mt LCE by 2040. Benchmark Mineral Intelligence's supply forecast includes expansions from existing mines as well as new entrants developing pre-production projects.

Price Forecast

Tight market supply combined with rapidly improving demand for lithium chemicals is expected to put continued strong upward pressure on prices. Benchmark Mineral Intelligence's base case forecast expects prices to continue to rise through 2023 as demand outstrips supply with real lithium hydroxide and spodumene 6% prices hitting US$55,900/t and US$5,100/t in 2023, respectively. Benchmark then expects prices to stabilize at higher levels in 2024 and begin to decline to more stable levels in a balanced supply-demand market in 2025.

Operational Contracts

In June, 2022, SMSA entered into a Letter of Intent with Fagundes Construção e Mineração S.A. ("Fagundes") to provide mining services to SMSA for its pre-stripping phase, as well as its operational phase, including the supply of all equipment for such works. The definitive agreement was signed in June 2023. In August 2022, SMSA entered into a Letter of Intent with IBQ Indústrias Químicas S.A. ("Enaex") for the supply of explosives and the handling of such explosives for SMSA's mining works. The definitive agreement was signed in December 2023. Fagundes and Enaex are currently the ultimate service providers and suppliers for all mining activities of SMSA.

In May 2023, SMSA entered into an agreement with Multilift Logística Ltda. ("Multilift"), to provide services pertaining storage and port handling. In June and December 2023, SMSA also entered into agreements pertaining transport of goods to the ports with G7 Log Transported Ltda. ("G7") and D'Granel Transportes e Comércio Ltda. ("D'Granel"), respectively.

Any future contracts are likely to be negotiated and renewed on an annual or bi-annual basis. Contract terms are expected to be typical of similar contracts in Minas Gerais State.



Construction Contracts

SMSA has signed an agreement for the EPCM of the Production Plant and associated infrastructure with Promon. The detail engineering is progressing according to priority and both companies started issuing construction drawings according to the schedule baseline. Procurement services according to the Procurement Plan defined in the FEED. Construction Management includes general scheduling, managing all items, generating weekly dash boards, preparing presentations with critical points, preventive and corrective actions in order to reach the project deadlines.

In April 2022, SMSA signed an agreement for the civil construction of the Phase 1 Greentech Plant with engineering firm Tucumann Engenharia e Empreendimentos Ltda. The scope of work includes all civil construction works and services for the implementation of the Project, including the supply of materials, commissioning, provision of documentation, topographic survey services, excavations, shallow foundations, concrete structures, buildings, paving, streets, urbanization and landscaping and rainwater drainage and spare parts.

In March 2022, SMSA signed an agreement for the construction of a substation and the displacement of an existing transmission line with Tecnova Engenharia Ltda. The scope of work includes all civil construction, electromechanical and electrical assembly works and services for the implementation of the including, the civil project, the electrical project, the electromechanical project, the supply and installation of materials, structures and equipment, as well as commissioning, supply of documentation as built of the civil, electromechanical and electrical works, considering all the technical information informed by a state power company (“CEMIG”).

In July 2022, SMSA signed an agreement for the construction of a laboratory with SGS Geosol. The scope of work includes all work for the management of the assembly of the SMSA’s internal laboratory and implementation, including the electrical project, the electromechanical project (including, but not limited to, the drawings, layouts, technical specifications, bills of materials, calculation memorials and documents), hydraulic design, supply and installation of materials, structures and equipment, as well as commissioning, start-up, supply of “as built” documentation of the projects, electromechanical, hydraulic and electrical, and all other services necessary for the execution of the scope of work.

In July 2022, SMSA signed an agreement for the electromechanical assembly of the Phase 1 Greentech Plant with PAREX Engenharia S.A. The scope of work includes all assembly of the Phase 1 Greentech Plant, and the supply of materials for such scope of works.

SMSA is in negotiation with respect to the construction contracts for Phase 2.

Environmental Studies, Permitting and Social or Community Impact

COPAM granted an Operation License (LO) to SMSA for commercial production and sale in March 2023 for the Xuxa’s Pit #1 (North Pit) and in April 2023 for the Xuxa’s Pit #2 (South Pit).

On August 17, 2022, Sigma applied for the permitting of the environmental license for the Barreiro mine and waste piles. The environmental license for the subsequent phases will solely contemplate the license of the deposits and of its waste piles.

SMSA holds approved economic mining plans (Plano de Aproveitamento Econômico or PAE) over the Xuxa, Barreiro, Lavra do Meio, Murial, Maxixe and Nezinho do Chicâo deposits within the Grota do Cirilo project. The PAE for Xuxa was updated and approved in August 2018, while the PAE for Barreiro was updated and approved in July 2022.

Reclamation plans (referred to as degraded area plans or PRADs) have been developed and implemented for certain past-producing areas within the Grota do Cirilo property. The successful recovery of these areas is managed by SMSA personnel and external consultants in conjunction with the governing regulatory agencies.

Sigma has held regular meetings and consultation sessions with local stakeholders regularly over the last five years. The further development of SMSA mining activities in the Jequitinhonha Valley is viewed by both communities as an important regional economic driver.



Applicable Legal Requirements for Project Environmental Permitting

CONAMA Resolution N° 237 (1997) defines environmental licensing as an administrative procedure by which the competent environmental agency permits the locating, installation, expansion and operation of enterprises and activities that use environmental resources in a manner considered to be effectively or potentially polluting.

The licensing process in Minas Gerais has been developed in accordance with COPAM Regulatory Deliberation N° 217, dated December 6, 2017, and establishes classification criteria based on scale and polluting potential, as well as the locational criteria used to define the modalities of environmental licensing of ventures and activities that use environmental resources in the state of Minas Gerais.

In compliance with CONAMA Resolution 09/90, the environmental licensing of mining projects is always subject to an Environmental Impact Assessment ("EIS"), followed by an Environmental Impact Report ("EIR"), which supports the technical and environmental feasibility stage of the project and the granting of a Preliminary Licence (LP) , a concurrent Preliminary and Installation License (LP + LI), and/or a concurrent Preliminary, Installation and Operational License (LP + LI + LO).

Xuxa Project Environmental Permitting Status

SMSA has a definitive water license for the uptake of 150 m^3/hr of water from the Jequitinhonha River approved by the Agencia Nacional das Águas (ANA) in January 2019. The water usage license is valid for 10 years, which is expected to be sufficient for the life-of mine (LOM) requirements for mining and product processing from Xuxa.

The LP + LI for the first phase of the project, consisting of Xuxa's Pit #1, waste piles #1 and #2 and the construction of the processing plant was submitted on December 20, 2018 followed by the EIS, the EIR and other mandatory documents. The EIS and Environmental Control Plan (Plano de Controle Ambiental – PCA) dated December 2018 were prepared by NEO Soluções Ambientais and ATTO GEO Geologia e Engenharia. The LP+LI for Xuxa Pit #1, Piles #1 and #2 and the processing plant was obtained on June 3, 2019.

A second EIS covering Xuxa's Pit #2 and waste piles #3, #4 and #5 was formally approved in July 2022. On November 16, 2022, SMSA filed its request for the permitting of the operational license (LO) for Xuxa's Pit#1 and areas and processing plant, which was obtained in March 2023; and, on January 23, 2023, SMSA filed its request for the permitting of Xuxa's Pit #2 areas. The operational license (LO) for Xuxa's Pit #2 and waste piles #3, #4 and #5 was obtained in April 2023.

On August 17, 2022, SMSA applied for the environmental license for the Barreiro Mine and waste piles.

Authorizations

SMSA is the owner of the mineral rights registered under DNPM Nº 824.692/1971, and the holder of Mining Concession Ordinance Nº 1.366, published on October 19, 1984. In 2018 a PAE was registered with the National Mining Agency (ANM), which was approved on November 16, 2018.

The approval of the PAE and environmental study involves the technical and legal analysis and formal approval of the proposed project. With the granted LP + LI, SMSA has commenced the installation of the project, complied and continues to comply with the environmental conditions established in the LP + LI certificate and finally, applied for and obtained the Operation License for Xuxa Pit #1 as well as for Xuxa Pit #2 (Phase 1) and for Increase of Production Plant.

The formalization of the environmental licensing process also included the filing of an Environmental Impact Study (Estudo de Impacto Ambiental or EIA) and an Environmental Impact Report (Relatório de Impacto Ambiental or RIMA)

Land Access

Sigma entered into right-of-way agreements with Miazga and third-party surface rights owners of the Project, to carry out mining activities on its properties. These farms include Legal Reserves (LR) which are preserved and registered in the Sistema Nacional de Cadastro Ambiental Rural (SICAR), in accordance with Law Nº 12.651, dated May 25, 2012



SMSA has a mining easement (Servidão Mineral) with a total of 413.3 hectares and aims to cover the areas of waste and tailings piles, production plant, all access roads (internal), electrical substation, installation of fueling station and support structures. The Servidão Mineral was published in the Official Gazette of the Brazilian Federal Government. It contemplates the mining and processing activities of the Xuxa deposit (ANM Process No. 824.692/1971).

Social License Considerations

Sigma understands and accepts the importance of proactive community relations as an overriding principle in its day-to-day operations as well as future development planning. The Company therefore structures its community relations activities to consider the concerns of the local people and endeavors to communicate and demonstrate its commitment in terms that can be best appreciated and understood to maintain the social license to operate.

The Jequitinhonha valley is considered one of the poorest region in Minas Gerais which is plighted by poverty and is in the lowest quartile the Human Development Index (HDI). Sigma is one of the largest investors and operators in the area and the project will be transformational to the local communities. The largest direct economic benefit is that Sigma is subject to a 2% CFEM which is divided between the Federal Government, State Government and Local Government. Secondly a portion of the taxes on local procurement of goods and services is shared with the Local Government. These incomes from the royalty and tax are a most important source of funding for local Government and Sigma is the largest direct contributor in the region. Sigma will be by far the largest employer in the region with an estimated 500 direct jobs being created with 3 to 4 times this number being indirect.

Farming in the area is small-scale subsistence type as the area is semi-arid. Studies identified that there is minimal impact on the neighbouring farms of Grota do Cirilo properties. Sigma and contractor workforce will live in the cities of Araçuaí and Itinga and strict environmental management plans are in place to minimize the environmental footprint of the project. An example is 90% of the process water is re-circulated and there is zero run-off water from the site except during the wet season, when excess of rain water from the pond will be discharged in an overflow channel. The process uses dry stacking technology, and no slimes dam will be built. Regular environmental monitoring will be conducted, and results will be shared with the local communities.

Sigma has targeted and continues with consultations/engagements with numerous stakeholders in support of project development of the Project and has hosted visits from representatives of government departments and local academic institutions.

Rehabilitation, Closure Planning and Post-Closure Monitoring

The closure plan for the Grota do Cirilo property encompasses the following: dismantling of building and infrastructure, removal of heavy mobile and surface equipment, restoration by reconstituting vegetal cover of the soil and the establishment of the native vegetation, grading and capping with vegetation suppression layer and revegetation of the waste rock and overburden stockpiles, removal of suppressed vegetation along with slope cover and surface drainage for water management, fencing of site, environmental liability assessment studies where there may have been spillages and soil and water contamination and safe disposal, revegetation of the open pit berm areas and fencing around the open pits.

In the post-closure phase, a socioenvironmental and geotechnical monitoring program will be carried out, to support ecosystem restoration or preparation for the proposed future use.

The monitoring program will collect soil and diversity of species on an annual basis, continuing for a five-year period after mine closure.

Increase of Production Plant (UTM)

On June 16, 2023, Sigma filed at SUPPRI (the Priority Projects Superintendence of Minas Gerais) the environmental studies, including, among others, the Environmental Control Report (Relatório de Controle Ambiental - RCA) for the permitting of the LP+LI+LO for the increase of Volumes of Production Plant for the production of 3,700,000 t/year. The construction, installation and operation license was obtained in January 26, 2024.



Barreiro Environmental Work to Date

On August 17, 2022, the Company filed at SUPPRI (the Priority Projects Superintendence of Minas Gerais) the environmental studies, including, among others, the EIS and EIR (Barreiro EIS/EIR) for the permitting of the LP+LI+LO for the Barreiro deposit and its waste piles. Once the EIS/EIR is approved by the environmental authorities, SMSA will be authorized to commence the construction, installation and operation of the Barreiro deposit.

NDC Environmental Work to Date

The EIS and EIR for NDC deposit, jointly with other mandatory documents, will be submitted to –SUPPRI for the permitting of the LP+LI+LO.

The environmental licensing process began in December 2022 and was formalized on August 10, 2023, with the presentation of technical studies for the production of 1,700,000 t/year for open pit mining and 182. 2 ha for waste piles.

Capital and Operating Costs

Capital Cost Estimate

The capital cost estimate ("CAPEX") was developed to provide substantiated costs for the FEED study of Phase 1 and the PFS-level study of Phase 2 & 3 processing plant and to provide Sigma with an overall risk and opportunity profile to enable a Phase 1 production decision and to advance off-take agreements and project financing.

The total CAPEX for Phase 1 including the Estimated Vat Tax Incentive is US$130.6 million.

The total Capex for Phase 2 & 3 is US$154.9 M (this is including the Owner's cost, working capital, contingency and excluding the Sustaining Capital).

The CAPEX estimate has an accuracy of ±25% and is summarized in Table 1-16 (Phase 1) and Table 1-17 (Phase 2 & 3).

Table 1-16 – Phase 1 Capital Cost Estimate Summary

AREA	TOTALS (USD)		
	DIRECTS + INDIRECTS	CONTINGENCY	TOTAL
001 MINE	7,856,938	605,014	8,461,952
002 PLANT	64,841,255	4,992,777	69,834,032
002.003 AUTOMATION/DIGITALIZATION	3,852,981	296,680	4,149,661
003 ENVIRONMENTAL	14,418,492	1,121,428	15,539,921
004 EPCM & ENGINEERING SERVICES	17,867,543	1,375,801	19,243,344
005 SUBSTATION & UTILITY POWER SUPPLY	6,888,863	530,442	7,419,305
TOTAL CONSTRUCTION CAPITAL COST	**111,873,091**	**8,625,462**	**120,498,553**
006 OWNERS PROJECT COSTS	8,901,677	890,168	9,791,844
007.001 WORKING CAPITAL AND SPARES	6,137,293	—	6,137,293
TOTAL CONSTRUCTION CAPITAL COST (EX VAT TAX INCENTIVE)	**126,912,061**	**9,515,630**	**136,427,691**
009 ESTIMATED VAT TAX INCENTIVE	(5,859,000)	—	(5,859,000)
TOTAL CONSTRUCTION CAPITAL COST	**121,053,061**	**9,515,630**	**130,568,691**
008 SUSTAINING AND DEFERRED CAPITAL	3,200,000	246,400	3,446,400



Table 1-17 – Phase 2 & 3 Capital Cost Estimate Summary

AREA	TOTALS (USD)		
MEGA PLANT	DIRECTS + INDIRECTS	CONTINGENCY	TOTAL (Excluding recoverables)
000 MEGA (Excluding Sustaining Capital)	**144,429,471**	**10,473,002**	**154,902,473**
000 MEGA (Including Sustaining Capital)	**157,499,471**	**11,479,392**	**168,978,863**
001 MINE	2,096,208	161,408	2,257,616
002 PLANT	89,536,397	6,718,807	96,255,204
003 ENVIRONMENTAL	15,252,504	1,174,443	16,426,946
004 EPCM & ENGINEERING SERVICES	21,672,011	1,668,745	23,340,755
005 SUBSTATION & UTILITY POWER SUPPLY	663,829	51,115	714,943
006 OWNERS PROJECT COSTS	9,071,230	698,485	9,769,715
007 WORKING CAPITAL & SPARES	6,137,293	0	6,137,293
008 SUSTAINING & DEFERRED CAPITAL	13,070,000	1,006,390	14,076,390

Note: the Phase 2 & 3 substation costs are included in the Phase 1 CAPEX.

Operating Costs Estimate

The processing plant operating cost estimate includes the operation of a three-stage crushing and screening circuit and DMS circuits (two stages for coarse, fine and ultra fines material classes).

The processing operating costs ("OPEX") includes operating and maintenance labour, power, fuel and indirect charges associated with the processing plant. Based on these cost assumptions, inclusions and exclusions, it is estimated that the variable OPEX for the Phase 1 concentrator will be $5.3/t of ore feed and US$7.5 million of fixed OPEX. The estimated variable OPEX for the Phase 2 & 3 concentrator is $4.8/t of ore feed and US$6.7 million of fixed OPEX.

Operating cost estimates are summarized in Table 1-18 (Phase 1) and Table 1-19 (Phase 2 & 3).

Table 1-18 – Phase 1 Operating Cost Estimate Summary

DESCRIPTION	OPEX (US$)
Mining (US$/t material mined)	$ 2.1
Process (US$/t ore feed)	$ 10.4
G&A (US$/t ore feed)	$ 5.3
Shipping (US$/t SC)	$ 120

Table 1-19 – Phase 2 & 3 Operating Cost Estimate Summary

DESCRIPTION	OPEX (US$)
Phase 2 Mining (US$/t material mined)	$ 2.68
Phase 3 Mining (US$/t material mined)	$ 1.98
Phase 2 & 3 Process (US$/t ore feed)	$ 7.1
Phase 2 & 3 G&A (US$/t ore feed)	$ 2.7
Shipping (US$/t SC)	$ 120



Economic Analysis

Economic Assumptions

Three levels of economic analyses were undertaken for the Project, contemplating the mining of the Mineral Reserves of: (i) the Xuxa deposit (Phase 1); (ii) the Barreiro and NDC deposits (Phase 2 & 3); and (iii) both the Phase 1 and Phase 2 & 3 (Phase 1, 2 & 3).

The Phase 1, 2 & 3 analysis has been selected as the best growth and integrated plan for the Grota Do Cirilo Project.

The economic analyses contemplate the production of spodumene concentrate ("SC") at grades of 5.5% Li_2O, in line with the current lithium market conditions.

The base case scenario after-tax net present value ("NPV") results are detailed in Table 1-20 below. The discount rate assumed for the after-tax NPVs is 8%.

A sensitivity analysis reveals that the Project's viability will not be significantly vulnerable to variations in capital expenditures, within the margins of error associated with the DFS and study estimates for Phase 1 and Phase 2 & 3, respectively. In contrast, the Project's economic returns remain most sensitive to changes in spodumene prices, feedstock grades and recovery rates.

Table 1-20 – Base Case After-Tax NPVs

MODELLED CASE	UNIT	@ 5.5% SC
Phase 1	*US$M*	$ 5,699
Phase 2 & 3	*US$M*	$ 9,587
Phase 1, 2 & 3	***US$M***	**$ 15,289**

Phase 1, Phase 2 & 3 and Phase 1, 2 & 3 were evaluated on a pre- and after-tax basis. It must be noted that there are many potential complex factors that affect the taxation of a mining project. The taxes, depletion, and depreciation calculations in the economic analyses are simplified and only intended to give a general indication of the potential tax implications at the project level.

Sudene is a government agency tasked with stimulating economic development in specific geographies of Brazil. The project is to be installed in a Sudene-covered geographic area, where a tax incentive granted to the project indicates a 75% reduction of income tax for 10 years, after achieving at least 20% of its production capacity. The considered Brazilian income tax rate is assumed to be 15.25%, which represents the Sudene tax benefit applied to the Brazilian maximum corporate tax of 34% on taxable income (25% income tax plus 9% social contribution). For Phase 2 & 3, the Sudene tax incentive is expected to be renewed after the 10^{th} anniversary of achieving at least 20% of their production capacities.

The Project is expected to be exempt from all importation taxes for products which have no similar item produced in Brazil (Ex-Tarifário). Assembled equipment where some but not all individual components are produced in Brazil can be considered exempt from import taxes under these terms.

The Project royalties will include:

- A 2.0% CFEM royalty on gross spodumene revenue, paid to the Brazilian Government. The CFEM royalty amount is split between the Federal Government of Brazil (12%), State Government of Minas Gerais (23%), and Municipal Government of Araçuaí (65%).
- A 1.0% NSR royalty with permissible deductions from gross spodumene revenue including the CFEM royalty, any commercial discounts, transportation costs and taxes paid.



Phase 1 DFS Economic Analysis

The Phase 1 economic analysis is based on an eight-year operation sourcing feedstock ore from the Phase 1 deposit's Mineral Reserve of 11.8 Mt grading at 1.55% Li_2O. Phase 1 is expected to generate run-rate production of 270 ktpa of lithium concentrate, delivering US$990 million of annual free cash flow, at a 5.5% SC grade.

The base case scenario results are detailed in Table 1-21 below.

Table 1-21 – Phase 1 Base Case Scenario Results

ITEM	UNIT	@ 5.5% SC
After-Tax NPV @ 8%	*US$M*	$ 5,699
After-Tax IRR	*%*	1,282 %
After-Tax Payback Period	*Years*	0.1

The key technical assumptions used in the base case are highlighted below in Table 1-22.

Table 1-22 – Key Phase 1 Technical Assumptions

ITEM	UNIT	@ 5.5% SC
Total Ore Processed (ROM)	*Mt*	11.8
Annual ROM Ore Processed	*Mt*	1.5
Run-Rate SC Production	*ktpa*	270
Run-Rate LCE Production (Note 1)	*ktpa*	37
Strip Ratio	*Ratio*	16.4: 1
Average Li_2O Grade	*%*	1.55 %
Spodumene Recovery Rate	*%*	65.0 %
Spodumene Concentrate Grade	*% Li2O*	5.5 %
Operating Life	*Years*	8
Total Cash Cost Ex. Royalties (@ Mine Gate)	*US$/t SC*	$ 288
Total Cash Cost Incl. Royalties (@ Mine Gate)	*US$/t SC*	$ 419
Transportation Costs (CIF China)	*US$/t SC*	$ 120
Total Cash Cost (CIF China)	*US$/t SC*	$ 539
AISC (CIF China)	*US$/t SC*	$ 541
Mining Costs	*US$/t Material Mined*	$ 2.06
Processing Costs	*US$/t ROM*	$ 10.38
G&A Costs	*US$/t ROM*	$ 5.29

Note: tonnage based on direct conversion to LCE excluding conversion rate.

The total gross revenue derived from the sale of spodumene concentrate is estimated at US$10.6 billion, an average revenue of US$4,909/t 5.5% SC with total operating costs (including royalty payments and commercial discounts) of US$1.3 billion at an average cost of US$581/t 5.5% SC. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US$7.9 billion.

A sensitivity analysis for Phase 1 was carried out with the base case as the midpoint. An interval of ±20% versus base case values was considered with increments of 10%.

Phase 1 after-tax NPV is not significantly vulnerable to changes in BRL to US$ exchange rate, CAPEX, OPEX, or discount rate considered. In contrast, Phase 1 after-tax NPV is more sensitive to variation in spodumene price, lithium grade, and spodumene recovery rates.



Phase 1 after-tax IRR is not significantly vulnerable to changes in OPEX. In contrast, Phase 1 after-tax IRR is more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, BRL to US$ exchange rate and CAPEX. Note that the Phase 1 after-tax IRR is independent of the discount rate considered.

Phase 2 & 3 PFS Economic Analysis

The Phase 2 & 3 PFS economic analysis is based on a twelve-year operation sourcing feedstock ore from the Phase 2 deposit's Mineral Reserve of 21.8 Mt grading at 1.37% Li_2O and the Phase 3 deposit's Mineral Reserve of 21.2 Mt grading at 1.45% Li_2O. Phase 2 & 3 is expected to generate run-rate production of 496 ktpa of lithium concentrate, delivering US$1,179 M of annual free cash flow, at a 5.5% SC grade.

The base case scenario results are detailed in Table 1-23 below.

Table 1-23 – Phase 2 & 3 Base Case Scenario Results

ITEM	UNIT	@ 5.5% SC
After-Tax NPV @ 8%	*US$M*	$ 9,587
After-Tax IRR	%	1,207 %
After-Tax Payback Period	*Years*	0.1

The key technical assumptions used in the base case are highlighted below in Table 1-24.

Table 1-24 – Key Phase 2 & 3 Technical Assumptions

ITEM	UNIT	@ 5.5% SC
Total Ore Processed (ROM)	*Mt*	42.9
Annual ROM Ore Processed	*Mt*	3.3
Run-Rate SC Production	*ktpa*	496
Run-Rate LCE Production (Note 1)	*ktpa*	67
Phase 2 Strip Ratio	*Ratio*	12.5: 1
Phase 3 Strip Ratio	*Ratio*	16.0: 1
Phase 2 Average Li2O Grade	%	1.36 %
Phase 3 Average Li2O Grade	%	1.45 %
Phase 2 Spodumene Recovery Rate	%	57.9 %
Phase 3 Spodumene Recovery Rate	%	50.6 %
Spodumene Concentrate Grade	*% Li2O*	5.5 %
Operating Life	*Years*	12
Total Cash Cost ex. Royalties (@ Mine Gate)	*US$/t SC*	$ 292
Total Cash Cost incl. Royalties (@ Mine Gate)	*US$/t SC*	$ 394
Transportation Costs (CIF China)	*US$/t SC*	$ 120
Total Cash Cost (CIF China)	*US$/t SC*	$ 514
AISC (CIF China)	*US$/t SC*	$ 516
Mining Costs	*US$/t Material Mined*	$ 2.25
Processing Costs	*US$/t ROM*	$ 7.06
G&A Costs	*US$/t ROM*	$ 2.68

Note: tonnage based on direct conversion to LCE excluding conversion rate.



The total gross revenue derived from the sale of spodumene concentrate is estimated at US$21.5 billion, an average revenue of US$3,610/t 5.5% SC with total operating costs (including royalty payments and commercial discounts) of US$3.4 billion at an average cost of US$569/t 5.5% SC. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US$15.3 billion.

A sensitivity analysis for Phase 2 & 3 was carried out with the base case as described above as the midpoint. An interval of ±20% versus base case values was considered with increments of 10%.

Phase 2 & 3 after-tax NPV is not significantly vulnerable to changes in BRL to US$ exchange rate, CAPEX, OPEX, or discount rate considered. In contrast, Phase 2 & 3 after-tax NPV is more sensitive to variation in spodumene price, lithium grade, and spodumene recovery rates.

Phase 2 & 3 after-tax IRR is not significantly vulnerable to changes in OPEX. In contrast, Phase 2 & 3 after-tax IRR is more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, BRL to US$ exchange rate and Capex. Note that the Phase 2 & 3 after-tax IRR is independent of the discount rate considered.

Phase 1, 2 & 3 Economic Analysis

The Phase 1, 2 & 3 economic analysis is based on a thirteen-year operation sourcing feedstock ore from the Phase 1 deposit's Mineral Reserve of 11.8 Mt grading at 1.55% Li_2O, Phase 2 deposit's Mineral Reserve of 21.8 Mt grading at 1.37% Li_2O and the Phase 3 deposit's Mineral Reserve of 21.2 Mt grading at 1.45% Li_2O. Phase 1, 2 & 3 is expected to generate run-rate production of up to 766 ktpa of lithium concentrate, delivering US$1,788 million of annual free cash flow, at a 5.5% SC grade.

The base case scenario results are detailed in Table 1-25 below.

Table 1-25 – Phase 1, 2 & 3 Base Case Scenario Results

ITEM	*UNIT*	@ 5.5% SC
After-Tax NPV @ 8%	*US$M*	$ 15,289
After-Tax IRR	*%*	1,273 %
After-Tax Payback Period	*Years*	0.1

The key technical assumptions used in the base case are highlighted below in Table 1-26.



Table 1-26 – Key Phase 1, 2 & 3 Technical Assumptions

ITEM	UNIT	@ 5.5% SC
Total Ore Processed (ROM)	*Mt*	54.7
Annual ROM Ore Processed	*Mt*	4.2
Run-Rate SC Production	*ktpa*	766
Run-Rate LCE Production (Note 1)	*ktpa*	104
Phase 1 Strip Ratio	*ratio*	16.4: 1
Phase 2 Strip Ratio	*ratio*	12.5: 1
Phase 3 Strip Ratio	*ratio*	16.0: 1
Phase 1 Average Li_2O Grade	*%*	1.55 %
Phase 2 Average Li_2O Grade	*%*	1.36 %
Phase 3 Average Li_2O Grade	*%*	1.45 %
Phase 1 Spodumene Recovery Rate	*%*	65.0 %
Phase 2 Spodumene Recovery Rate	*%*	57.9 %
Phase 3 Spodumene Recovery Rate	*%*	50.6 %
Spodumene Concentrate Grade	*% Li2O*	5.5 %
Operating Life	*years*	13
Total Cash Cost ex. Royalties (@ Mine Gate)	*US$/t SC*	$ 289
Total Cash Cost incl. Royalties (@ Mine Gate)	*US$/t SC*	$ 401
Transportation Costs (CIF China)	*US$/t SC*	$ 120
Total Cash Cost (CIF China)	*US$/t SC*	$ 521
AISC (CIF China)	*US$/t SC*	$ 523
Mining Costs	*US$/t Material Mined*	$ 2.20
Processing Costs	*US$/t ROM*	$ 7.78
G&A Costs	*US$/t ROM*	$ 3.24

Note: tonnage based on direct conversion to LCE excluding conversion rate.

The total gross revenue derived from the sale of spodumene concentrate is estimated at US$32.1 billion, an average revenue of US$3,956/t 5.5% SC with total operating costs (including royalty payments and commercial discounts) of US$4.6 billion at an average cost of US$572/t 5.5% SC. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US$23.3 billion.

A sensitivity analysis for Phase 1, 2 & 3 was carried out with the base case as described above as the midpoint. An interval of ±20% versus base case values was considered with increments of 10%.

Phase 1, 2 & 3 after-tax NPV is not significantly vulnerable to changes in BRL to US$ exchange rate, CAPEX, OPEX, or discount rate considered. In contrast, Phase 1, 2 & 3 after-tax NPV is more sensitive to variation in spodumene price, lithium grade, and spodumene recovery rates.

Phase 1, 2 & 3 after-tax IRR is not significantly vulnerable to changes in OPEX. In contrast, Phase 1, 2 & 3 after-tax IRR is more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, BRL to US$ exchange rate and Capex. Note that the Phase 1, 2 & 3 after-tax IRR is independent of the discount rate considered.

Phase 2 & 3 after-tax IRR is not significantly vulnerable to changes in OPEX. In contrast, Phase 2 & 3 after-tax IRR is more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, BRL to US$ exchange rate and Capex. Note that the Phase 2 & 3 after-tax IRR is independent of the discount rate considered.



Interpretation and Conclusions

Mineral Resources are reported for five pegmatite bodies, Phase 1, Phase 2, Murial, Lavra do Meio and Phase 3. Mineral Reserves are reported for the Phase 1, Phase 2 and Phase 3 deposits.

Risk Assessment

Risk assessment sessions were conducted individually and collectively by all parties.

Most aspects of the project are well defined. The risks are grouped by licensing, cost (CAPEX and OPEX), schedule, operations, markets, and social/environmental categories. One of the most significant risks identified for the Project is related to lithium markets.

The following risks are highlighted for the project:

- Lithium market sale price and demand (commercial trends);
- Delay in obtaining the license for Phase 2 Pit;
- Fluctuations in the exchange rate and inflation;
- Labor strikes at the Port and at site (construction and operation);
- Tax exemptions and import not confirmed;
- Increased demands from the local community once in operation;
- More fines generated from mining and crushing: potential negative impact on recovery;
- The production rate and size of the pit may impose challenges for operations; and
- Waste generation: the continuous geotechnical monitoring system to be implemented during mining operation can indicate local changes to geotechnical parameters, and potential increase of waste.

Opportunities

The following opportunities are identified for the Project:

- Recovery of Li_2O from hypofines with a flotation circuit;
- Sales of hypofines as DSO;
- Recovery of Li_2O from petalite;
- Sale of plant rejects to the ceramics industry;
- Potential upgrading of some or all of the Inferred Mineral Resources to higher-confidence categories and eventually conversion to Mineral Reserves;
- Potential for future underground mining at both Phase 1 and Phase 2 projects; and
- Exchange rate may work in the Project's favour.

Recommendations

The following summarizes the recommendations from this report.

Engineering

Based on the results of the NDC PFS, the QPs recommend:

- The Company proceed to completing a definitive feasibility study (DFS) in respect of the Nezinho do Chicao deposit. Estimated cost US$ 1,000,000
- Complete studies relating to mine and waste heap geotechnics and hydrogeology considering geotechnical borehole completion, borehole geotechnical logging and a bore hole televiewer program.



Geology and Resources

The QPs ("Qualified persons") recommend that additional exploration drilling be conducted to the northwest of Barreiro and also to the east of Maxixe/Tamboril to potentially increase resources. The overall cost for the drill program is estimated to be US$3M dollars.

Recovery and Infrastructure

The following are the recommendations from the QPs for recovery and infrastructure:

- Undertake a petalite recovery study on Barreiro ore
- Review the infrastructure requirements for Phase 2 & 3

Economic Analysis

- The QPs recommend undertaking a Front-End Engineering Design (FEED) on Phase 2 & 3.

END OF TECHNICAL REPORT SUMMARY

EMERGING MARKET DISCLOSURE

The Project is located in Brazil, an emerging market, and the Company's interest in the Project is held indirectly through Sigma Brazil, a Brazilian corporation. Operating in an emerging market exposes the Company to risks and uncertainties that do not exist, or are significantly less likely to occur, in jurisdictions such as the United States or Canada. In order to manage and mitigate these risks, the Company is designing a system of corporate governance for itself and its subsidiaries that include internal controls over financial reporting and disclosure controls. These systems are coordinated by the Company's senior management and overseen by the Board in order to monitor the Company's operating subsidiaries. See "Risk Factors" below. Up to this point however, the internal controls over financial reporting remain ineffective.

BOARD AND MANAGEMENT EXPERIENCE AND OVERSIGHT

Key members of the Company's management team have experience running business operations in emerging markets, including Brazil. Ana Cabral-Gardner, Co-Chair and the Chief Executive Officer of the Company, is a Brazilian national and has substantial business operating experience in Brazil. Vicente Lobo, Co-Chair of the Company's Technical Committee, is a Brazilian national and has held executive roles at major Brazilian natural resources companies and has served as the Secretary of Geology, Mining and Mineral Transformation at Brazil's Ministry of Mines and Energy. Maria José Salum, member of the ESG Committee, is a Brazilian national and a prominent environmental & social responsibility professional who has held a number of roles such as Director of Sustainable Development in Mining at the Ministry of Mines and Energy and Senior Representative for the Ministry at the National Council for the Environment (CONAMA).

The Board, through its corporate governance practices, regularly receives management reports in connection with the Company's operations in Brazil. Through these updates, assessments and reports, the Board gains familiarity with the operations, laws and risks associated with operations in Brazil. Several members of the Board (a) are familiar with the laws, business culture and standard practices of Brazil; (b) have Portuguese language proficiency; (c) are experienced in working in Brazil and in dealing with Brazilian government authorities; and (d) have experience and knowledge of the local banking systems and treasury requirements of Brazil.



COMMUNICATION

The Company maintains open communication with its operations in Brazil through management team members who are fluent in Portuguese and are proficient in English, removing language barriers between management and the Board. The primary language used in Board meetings is English and material documents relating to the Company's operations that are provided to the Board are in English. Material documents relating to the Company's material operations in Brazil are either in English or, where in Portuguese, are translated into or summarized in English. Apart from one board member, all others are fluent in Portuguese.

CONTROLS RELATING TO CORPORATE STRUCTURE RISK

The Company has implemented a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply to the Company and its subsidiaries. These systems are overseen by the Board and implemented by the Company's senior management. The relevant features of these systems include:

- The Company's Control Over Subsidiaries. The Company's corporate structure has been designed to ensure that the Company has direct oversight over the operations of its subsidiaries, including that senior management of its subsidiaries includes individuals that are senior management of the Company (and members of the Board), and such individuals are also the directors of the subsidiaries. In addition, such individuals review and approve programs, budgets and other key decisions. The Company reviews its subsidiaries' financial reporting as part of preparing its consolidated financial reporting. The Company has adopted a simple structure for its Brazilian business operations, with the Company wholly-owning Sigma Holdings, and Sigma Holdings in turn wholly-owning Sigma Brazil.
- Signing Officers for Foreign Subsidiary Bank Accounts. The establishment of any new banking relationships and/or new bank accounts requires approval from the Company. Monetary authorization limits are established by the Company and put in place with the respective banking institutions. Signatories and authorization limits for bank accounts are reviewed and revised as necessary, with changes being communicated to the appropriate banking institutions. Each payment requires approvals from two authorized signatories.
- Strategic Direction. The Board is responsible for the overall stewardship of the Company and, as such, supervises the management of the business and affairs of the Company. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are material to the Company, including those of its subsidiaries.
- Internal Control Over Financial Reporting. The Company prepares its consolidated financial statements, on a quarterly basis(in accordance with IAS 34 - Interim Financial Reporting) and annual basis, using IFRS as issued by the International Accounting Standards Board. The Company implements internal controls over the preparation of its financial statements and other financial disclosures (including its MD&A) to provide reasonable assurance that its financial reporting is reliable, that the quarterly and annual financial statements are being prepared in accordance with IFRS and that other financial disclosures (including its MD&A) are being prepared in accordance with relevant securities legislation. As of December 31, 2023 however, the internal controls over financial reporting remain ineffective. All quarterly and annual consolidated financial statements are approved by the Board of Directors before being disclosed.
- Disclosure Controls and Procedures. The Company has a disclosure policy that establishes the protocol for the preparation, review and dissemination of information about the Company. This policy provides for multiple points of contact in the review of important disclosure matters, which includes input from key members of management located in Brazil.



- CEO and CFO Certifications. In order for the Company 's Chief Executive Officer and Chief Financial Officer to be in a position to attest to the matters addressed in the quarterly and annual certifications required by Canadian securities laws and for the Company's management to be in a position to furnish the report on the Company 's internal control over financial reporting required by the U.S. Sarbanes-Oxley Act (as defined below), the Company has developed internal procedures and responsibilities throughout the organization for its regular periodic and special situation reporting in order to provide assurances that information that may constitute material information will reach the appropriate individuals who review public documents, and that statements relating to the Company and its subsidiaries containing material information is prepared with input from the responsible officers and employees and is available for review by the Chief Executive Officer and Chief Financial Officer in a timely manner. In 2023 and in previous reporting periods, management of the Company has reported material weaknesses in the Company's internal controls. Please refer to the Company 's annual MD&A for the year ended December 31, 2023 and "Risk Factors" for a more detailed discussion on this matter.

INTERCOMPANY FUND TRANSFERS

Differences in banking systems and controls between Canada and Brazil are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations on at least a monthly basis and the segregation of duties. In executing certain normal course monetary transactions, funds are transferred between the Company and its subsidiaries by way of wire transfer. These transactions would typically include the payment of applicable fees for services; reimbursement of costs incurred by the Company on behalf of the subsidiaries; advances in the form of intercompany loans or equity contributions to subsidiaries; repayment of interest and/or principal on intercompany loans; and the return of capital or payment of dividends from subsidiaries. Capital structure and funding arrangements are established between the Company and the subsidiaries, and intercompany loan agreements are established with defined terms and conditions. Where regulatory conditions exist in the form of exchange controls, all necessary approvals are obtained in advance of the proposed transactions.

MANAGING CULTURAL DIFFERENCES

We believe that cultural differences and practices between Canada and Brazil are addressed by employing competent staff in Canada and Brazil who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in that jurisdiction and in dealing with the relevant government authorities and have experience and knowledge of the local banking systems and treasury requirements.

RECORDS MANAGEMENT OF THE COMPANY'S SUBSIDIARIES

The original minute books and corporate records of each of the Company's subsidiaries are kept at the Sigma Brazil office. Company management and the Board have complete access to these records.

RISK FACTORS

Risk Factors

The Company is subject to numerous risk factors at any given time (many of which are beyond its control) which could materially adversely impact upon its business, financial condition, results of operations, cash flows, ability to obtain financing and prospects and, as a result, the trading price of the Common Shares. The following are risk factors that the Company's management believes are most important. The below described risks are not an exhaustive description of all risks. See also "Cautionary Note Regarding Forward Looking Information" above.



Risks Related to Resource Development

There can be no assurance that market prices for lithium will remain at current levels or that such prices will improve.

Lithium chemicals and spodumene concentrate are globally traded commodities and accordingly, are subject to numerous market forces, including changes in product supply and demand. The addition of new supply due to either competitor investments or the Company's own capacity could drive market prices for these commodities lower. Softening in the global demand for lithium would have similar implications. Additionally, the pricing characteristics of alternative sources of energy, competitor disruptions and government policy could all have impacts on the market price of lithium and thus the Company's earnings profile. Prices have proven to be volatile for lithium products and could remain so for the foreseeable future. There can be no assurance that market prices will remain at current levels or that such prices will improve. As such, the Company's revenues and earnings are subject to change.

The market for EVs and other large format batteries remains an emerging technology in a number of markets. No assurances can be given for the rate at which this market will develop, which could affect the success of the Company and its ability to expand lithium operations.

The success of the Company and its ability to grow its lithium operations is largely dependent on the adoption of lithium-ion batteries for EV and other large format batteries. The market for EV and other large format batteries has grown considerably, but continues to have limited market share in a number of geographies. No assurance can be given that it will develop further (or at what rate this market will develop, if at all). To the extent that such markets do not develop in the manner or according to the timeline contemplated by the Company, the long-term growth in the market for lithium products will be adversely affected, which would inhibit the Company's ability to expand.

Changes in technology or other developments could result in preferences for substitute products.

Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries. Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Company cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Company discovers and reducing or eliminating any reserves it identifies.

New production of lithium hydroxide lithium carbonate, or spodumene concentrate from current or new competitors could adversely affect prices.

In recent years, new and existing competitors have increased the supply of lithium products, which has affected its price. Further production increases could negatively affect prices. There is limited information on the status of new lithium production capacity expansion projects being developed by current and potential competitors and, as such, the Company cannot always make accurate projections regarding the capacities of possible new entrants into the market and the dates on which they could become operational. If these potential projects are completed in the short term, they could adversely affect market lithium prices, thereby resulting in a material adverse effect on the Company's earnings profile, its reserve balances, or the economic viability of its ongoing growth initiatives.



The Company's financial condition, operations and results of any future operations are subject to political, economic, social, regulatory and geographic risks of doing business in Brazil.

Investments in emerging markets like Brazil generally pose a greater degree of risk than investments in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments and exposes the Company to heightened risks related to prevailing and changing political and socioeconomic conditions. Changes in mining, investment or other applicable policies or shifts in political attitude in Brazil may adversely affect the Company's operations or profitability and may affect the Company's ability to fund its ongoing expenditures. Regardless of the economic viability of the Company's properties, such political changes, which are beyond the Company's control, could have a substantive impact and prevent or restrict (or adversely impact the financial results of) mining of some or all of any deposits on the Project.

The Brazilian economy has been characterized by frequent, and occasionally material, intervention by the Brazilian federal government, which has often modified monetary, credit and other policies intending to influence Brazil's economy. The Brazilian government's actions to control inflation and effect other policy changes have involved wage and price controls, changes in existing, or the implementation of new, taxes and fluctuations of base interest rates. Actions taken by the Brazilian federal government concerning the economy may have important effects on Brazilian companies or companies with Brazilian assets and on market conditions and the competitiveness of Brazilian products abroad. In addition, actions taken by the Brazilian state and local governments with respect to labor and other laws affecting operations may have an effect on the Company.

The Company's financial condition and results of operations may also be materially adversely affected by any of the following, and the Brazilian federal government's actions, or failure to act, in response to them:

- currency depreciations and other exchange rate movements.
- monetary policies.
- inflation rate fluctuations.
- economic, political, and social instability.
- environmental regulation.
- energy shortages or changes in energy prices.
- interest rates.
- disasters at third party mineral projects.
- corruption or political scandal.
- exchange rate controls and restrictions on remittances abroad.
- liquidity of the domestic capital and lending markets.
- tax policy, including international tax treaties.
- other political, diplomatic, social, and economic policies or developments in or affecting Brazil.

Uncertainty over whether the Brazilian federal government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the market value of securities issued by Brazilian companies or companies with Brazilian assets.

The Brazilian government has frequently implemented changes to tax laws, tax treaties and other regulations, including modifications to tax rates. Any such changes, as well as changes in the interpretation of such tax laws and regulations, may result in increases in the Company's overall tax burden, which would negatively affect its profitability. However, the Company notes that it does not believe that there is any intention to change the current policies and regulations in this sense.



Political instability or changes in government policy (which may be arbitrary) may result in changes to laws affecting the ownership of assets, mining activities, taxation, rates of exchange, environmental regulations and labor relations. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that a future government may adopt substantially different policies cannot be ruled out.

Brazil's long-term foreign and local currency debt is rated sub-investment grade. Brazil's ratings or outlooks may be downgraded or placed on watch by the various rating agencies in the future. Downgrades of Brazil's sovereign credit ratings could limit access to funding and/or raise the cost of funding for the Company. Downgrades of Brazil's sovereign credit ratings could also heighten investors' perception of the risk of having operations in Brazil.

These and other future developments in the Brazilian economy and governmental policies may materially adversely affect the Company.

Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Company's financial condition and results of operations.

In the past, high levels of inflation have adversely affected the economies and financial markets of Brazil, and the ability of its government to create conditions that stimulate or maintain economic growth. Moreover, the governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation in Brazil and have created general economic uncertainty. As part of these measures, the Brazilian government has at times maintained a restrictive monetary policy and high interest-rates that have limited the availability of credit and economic growth. Brazil may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in Brazil and lead to further government intervention in the economy, including interest rate increases, restrictions on tariff adjustments to offset inflation, intervention in foreign exchange markets and actions to adjust or fix currency values, which may trigger or exacerbate increases in inflation, and consequently, have an adverse impact on the Company. In an inflationary environment, the value of uncollected accounts receivable, as well as unpaid accounts payable, declines rapidly. If Brazil experiences high levels of inflation in the future and price controls are imposed, this could adversely affect the Company's results of operations or financial conditions.

Violations of anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Brazilian markets have historically experienced heightened volatility due to the uncertainties generated by corruption and bribery allegations and investigations of certain senior politicians, including congressmen and officers and directors of some of the major state-owned and private companies in Brazil. In addition, certain media posts and reports of corruption, or allegations of corruption, in Brazil may have an adverse effect on the public perception and reputation of Brazilian companies and may adversely affect the trading price of the Common Shares. The Company's value and share price could also be adversely affected by illegal activities by others, corruption or by claims, even if groundless, implicating the Company in illegal activities.

The Company is subject to anti-corruption, anti-bribery and anti-money laundering laws and regulations in various jurisdictions, including Canada, U.S., and Brazil. In addition, it is subject to economic sanctions regulations that restrict dealings with certain sanctioned countries, individuals, and entities. There can be no assurances that the internal policies of the Company will be sufficient to prevent or detect all inappropriate practices, fraud or violations of such laws, regulations and requirements by its employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of its policies and procedures. Any violations of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on the Company's business, reputation, results of operations and financial condition.

The Company has not purchased any "political risk" insurance coverage and currently has no plans to do so.



Corruption and fraud in Brazil relating to ownership of real estate could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Under Brazilian law, real property ownership is normally transferred by means of a transfer deed and subsequently registered at the appropriate real estate registry office under the corresponding real property record. There are uncertainties, corruption and fraud relating to title ownership of real estate in Brazil, mostly in rural areas. In certain cases, a real estate registry office may register deeds with errors, including duplicate and/or fraudulent entries, and, therefore, deed challenges frequently occur, leading to judicial actions. Property disputes over title ownership are frequent in Brazil, and, as a result, there is a risk that errors, fraud, or challenges could adversely affect the Company's ability to operate, although ownership of mineral rights are separate from ownership of land.

The Company is subject to regulatory frameworks applicable to the Brazilian mining industry which could be subject to further change, as well as government approval and permitting requirements, which may result in limitations on the Company's business and activities.

Government approvals and permits are required in connection with the Company's activities. Any instances where such approvals are required and have not been obtained, the Company may be restricted or prohibited from proceeding with planned exploration, development, or operational activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing development or operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or other remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or a more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs, reductions in the levels of production at producing properties or require abandonment or delays in the development of the Project.

In Brazil, the ANM regulates the conduct of exploration, development, and mining operations. The ANM requires: (i) certain fee payments for exploration authorizations (known as the Annual Fee per Hectare), (ii) certain royalty payments to be made to the federal government for the mining concessions (known as Financial Compensation for the Exploitation of Mineral Resources - "CFEM") and (ii) royalty payments to be made to the landowner if the surface rights are not held by the holder of the mineral rights. There is also a monthly inspection fee related to the transfer and commercialization of certain minerals in some Brazilian states. Royalties, taxes and fees related to the exploration authorizations and mining concessions may change or increase substantially in the future.

In Brazil, failure to demonstrate the existence of technical and economically viable mineral deposits covered by an exploration authorization for a period of at least one year may lead to the authorization being required to be returned to the federal government. The federal government may then grant the exploration authorization to other parties that may conduct other mineral prospecting activities at said area. In addition, mining concessions and exploration authorizations may not be granted due to changes in laws and regulations governing mineral rights. Accordingly, retrocession requirements, loss of mineral rights, or the inability to renew concessions, authorizations, permits and licenses may materially adversely affect the Company.

Tailings dam failures involving other mining companies in Brazil, and the resultant loss of life and damage, have resulted in (and could in the future result in further) increased requirements, delays in licensing and other material consequences to all mining companies, even if the circumstances of the Project or the Company's development and operational methodologies are significantly different then such other companies and projects.

The regulatory framework applicable to the Brazilian mining industry could be subject to further change, which may result in limitations on the Company's business and activities, including in connection with some existing mineral rights, and an increase in expenses, particularly mining royalties, taxes and fees.

The Company's operations are also subject to Brazilian regulations pertaining to the use and development of mineral properties and the acquisition or use of rural properties by foreign investors or Brazilian companies under foreign control, and various other Brazilian regulatory frameworks.



The Company's operations are subject to numerous environmental laws and regulations and expose the Company to environmental compliance risks, which may result in significant costs and have the potential to reduce the profitability of operations.

All phases of operations are subject to numerous environmental laws and regulations in Brazil on the federal, state and municipal levels, including laws and regulations relating to specially protected areas, air emissions, wastewater discharge and the use, manufacture, handling, transportation, storage, disposal, remediation of waste and hazardous substances. Environmental hazards may exist which are unknown to the Company at present which may have been caused by previous owners or operators of the Project. In the event of an accident or exposure to hazardous materials, environmental damage may occur and trigger the obligation to remediate the environmental conditions, which may result in significant costs. The victim of such damages or whoever the law so authorizes (such as public attorneys' office, foundations, state agencies, state-owned companies and associations engaged in environmental protection) is not compelled to sue all polluting agents in the same proceeding, but rather the aggrieved party may choose to sue only one of the polluting agents to redress damages.

Environmental liability may be litigated in civil, administrative, and criminal courts, with the application of administrative, civil and criminal sanctions, in addition to the obligation to redress the damages caused. The lack of a conviction or a finding of liability in one proceeding does not necessarily preclude the finding of liability in other proceedings. Accordingly, in respect of environmental compliance matters, there could be unexpected interruptions to operations, fines, or penalties as well as third-party claims for property damage or personal injury or remedial or other costs, which may have a material adverse effect on the Company's operations. Municipal, state, and federal governments may revise and impose stricter environmental regulations in the future. There can be no assurance that environmental regulation will not adversely affect development or operations, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Physical climate change events and the trend toward more stringent regulations aimed at reducing the effects of climate change could have an adverse effect on the Company's business and operations.

Climate change is increasingly perceived as a broad societal and community concern. Stakeholders may increase demands for emissions reductions and call upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities, or maintain existing operations, which could have an adverse effect on its business and operations. The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

The Company's future production estimates are based on existing mine plans and other assumptions which change from time to time. No assurance can be given that such estimates will be achieved.

The Company has prepared estimates and projections of future production for the Project. Any such information is forward-looking and no assurance can be given that such estimates will be achieved. These estimates are based on existing mine operations, its plans and other assumptions which change from time to time. The Company's actual production may vary from estimates for a variety of reasons, including: actual mineralized material mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; revisions to mine plans; unusual or unexpected deposit formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and seismic activity; and unexpected labor shortages, strikes, local community opposition or blockades. The economic analysis for the Project is based in part on achieving at least the contemplated minimum operating and production levels and may be subject to change.



The Company's capital and operating cost estimates may vary from actual costs and revenues for reasons outside of the Company's control.

Capital costs, operating costs, production and economic returns and other estimates may differ significantly from those anticipated by current estimates, and there can be no assurance that the actual capital, operating and other costs will not be higher than currently anticipated. Actual costs and revenues may vary from estimates for a variety of reasons, including (among others): lack of availability of resources or necessary equipment; unexpected construction or operating problems; lower realized lithium prices; revisions to construction plans; risks and hazards associated with mineral production; natural phenomena; floods; unexpected labor shortages or strikes; general inflationary pressures; and interest and currency exchange rates.

Additionally, during times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development, and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration, development and construction costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays, or increase operating costs, for the Company.

Insurance may not be available to insure against all such risks, or the costs of such insurance may be uneconomic. Losses from uninsured and underinsured losses have the potential to materially affect the Company's financial position and prospects.

During exploration, development and production of mineral properties, certain risks (in particular, risks related to operational and environmental incidents) may occur. Insurance may not be available to insure against all such risks, or the costs of such insurance may be uneconomic. The Company may also elect not to obtain insurance for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company. The Company maintains liability insurance in accordance with industry standards, however, the nature of these types of risks is such that liabilities could exceed policy limits and the Company could incur significant costs that could have a material adverse effect on its business, results of operations and financial condition. Losses from uninsured and underinsured liabilities have the potential to materially affect the Company's financial position and prospects.

The Company is subject to risks associated with securing title, property interests and exploration and exploitation rights.

There can be no assurance the Company's property mineral tenure interests will be maintained, or that any required future title interests will ultimately be secured. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. The Company's property interests may also be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Company cannot guarantee that title to its properties or mineral rights will not be challenged. A successful challenge on a mineral right or to the precise area and location of the Company's mineral claims could result in the Company being unable to develop and operate its mineral properties or being unable to enforce its rights with respect to its mineral properties.

The Company is subject to strong competition in Brazil and in the global mining industry.

The mining industry is competitive in all its phases and requires significant capital, as well as technical and operational resources. Competition is also intense for mining equipment, supplies and qualified service providers, particularly in Brazil where mining personnel are in high demand and short supply. If qualified expertise cannot be sourced and at cost effective rates within Brazil, the Company may need to procure those services outside of Brazil, which could result in additional delays and higher costs to obtain work permits. The Company faces strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities. As a result of this competition, the Company may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms it considers acceptable.



The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters, which could result in consequences material to its business and operations.

The mineral exploration, development and production business carries inherent risk of liability related to worker and surrounding population health and safety, including the risk of government-imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, licenses, permits and other approvals, and potential civil liability. Compliance with health and safety laws (and any future changes) and the requirements of licenses, permits and other approvals remain material to the Company's business, and will continue to remain material at all stages of the development and operation of the Project. The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters. Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, potentially result in fines, penalties or other prosecutions, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health and safety laws, licenses, permits or other approvals could have a significant impact on development or operations and result in additional material expenditures. As a consequence, no assurances can be given that additional workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

The Company's mineral resource and Mineral Reserve estimates are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources or mineral reserves will ever qualify as a commercially mineable (or viable) deposit.

The operations of mining properties or mining companies are based in large part on geologic, metallurgic, engineering, title, environmental, economic, and financial assessments, which involve uncertainty. Such assessments may differ materially from actual results, which may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. These assessments include a series of assumptions regarding such factors as the mineralized material body geometries, grades, recoverability, regulatory and environmental restrictions, future prices of lithium and operating costs, future capital expenditures and royalties and government levies which will be imposed over the producing life of the Mineral Reserves.

The Company's Mineral Resource and Mineral Reserve estimates are estimates only. There are numerous uncertainties inherent in estimating quantities of Mineral Resources and Mineral Reserves and estimates in projecting potential future rates of mineral production, including factors subject to change and beyond the Company's control. Mineral Reserves and Mineral Resources estimates are based on limited samples and interpretations, which may not be representative of actual Mineral Reserves and Mineral Resources. No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources or mineral reserves will ever be mined or processed profitably. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, on analyses of drilling results and statistical inferences that may ultimately prove to be inaccurate. These estimated Mineral Resources and Mineral Reserves should not be interpreted as assurances of profitability of operations. Investors are cautioned not to place undue reliance on these estimates.

Mineral Resources are not Mineral Reserves and have a greater degree of uncertainty as to their feasibility and prospects for economic extraction. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources that are in the Inferred category are even more risky. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to any other category of Mineral Resource. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. However, the estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.



The Company's operations and the development of the Project may be adversely affected if it is unable to maintain positive community relations.

The Company's relationships with host communities are critical to ensure the success of its existing operations and the construction and development of new operations. There is an increasing level of public concern relating to the perceived effects of mining activities on the environment and on host communities due to events that happened with other companies in the recent past. The evolving expectations related to human rights, indigenous rights, and environmental protection may result in opposition to the Company's current and future operations or further development of the Project. Such opposition may be directed through legal or administrative proceedings or expressed in public opposition such as protests, roadblocks, or other forms of expression against the Company's activities, and may have a negative impact on the Company's reputation and operations.

Opposition by any of the aforementioned groups to the Company's operations may require modification of, or preclude the operation or development of, the Company's projects or may require the Company to enter into agreements with such groups or local governments with respect to the Company's projects, in some cases causing increased cost and considerable delays to the advancement of the Company's projects. Further, publicity adverse to the Company, its operations or extractive industries generally could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. There can be no assurance that its efforts to operate in a socially responsible manner will mitigate this potential risk.

The Project may also be impacted by relations with various community stakeholders, and the Company's ability to develop related mining assets may still be affected by unforeseen outcomes from such community relations.

The Company is exposed to risks associated with doing business with counterparties, which may impact the Company's operations and financial condition.

The Company is exposed to various counterparty risks including, but not limited to: (i) financial institutions that hold the Company's cash and short-term investments; (ii) companies that are expected to have payables to the Company; (iii) third party contractors engaged for future development; (iv) the Company's insurance providers; (v) the Company's lenders; and (vi) offtakers. The risks associated with doing business with several counterparties, including any defaults or other breaches of any agreements entered into by the Company with such counterparties, may impact the Company's operations and financial condition.

Any limitation on the transfer of cash or other assets between the Company and the Company's subsidiaries, or among such entities, could restrict the Company's ability to fund its operations efficiently or to the ability of its subsidiaries to distribute up cash otherwise available for distributions.

The Company conducts operations through subsidiaries, including a foreign subsidiary located in Brazil. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

The Company is subject to risks associated with its reliance on consultants and others for mineral exploration and exploitation expertise.

The Company has relied on, and is expected to continue to rely on, consultants and others for mineral exploration and exploitation expertise. If the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.



Risks Related to the Company's Business and Securities

The Company's operations are subject to the high degree of risk normally incidental to the exploration for, and the development and operation of, mineral properties.

The Company's operations are subject to all the risks normally incidental to the exploration of, and the development and operation of, mineral properties. Mineral exploration and exploitation involve a high degree of risk. Operations can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, work interruptions, fires, power outages, shutdowns due to equipment breakdown or failure, unexpected maintenance and replacement expenditures, human error, labor disputes, flooding, explosions, releases of hazardous materials, tailings impoundment failures, cave-ins, landslides, earthquakes and the inability to obtain or properly maintain adequate machinery, equipment or labor. Tailings dam failures involving other mining companies in Brazil, and the resultant loss of life and damage, have resulted in (and could in the future result in further) increased requirements, delays in licensing and other material consequences to all mining companies, even if the circumstances of the Project or the Company's development and operational methodologies are significantly different then such other companies and projects. The Company expects to rely on third-party owned infrastructure to develop and operate its projects, such as power, utility, and transportation infrastructure. Any failure of this infrastructure without adequate replacement or alternatives may have a material impact on the Company.

From time to time, the Company may become involved in litigation, which may have a material adverse effect on its business, financial condition, and prospects.

Due to the nature of the Company's business and status as a publicly traded entity, it may be subject to a variety of regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Litigation may be costly and time-consuming and can divert the attention of management and key personnel from business operations. If the Company is unsuccessful in its defense of claims or unable to settle claims in a manner satisfactory to it, it may be faced with significant monetary damages or injunctive relief against it that could have a material adverse effect on its business and financial condition. To the extent the Company is involved in any active litigation, the outcome of such matters may not be currently determinable nor is it possible to accurately predict the outcome or quantum of any such proceedings at this time.

The current military conflict in Ukraine and the Middle East and the economic or other sanctions imposed in response to such military conflicts and other global conflicts may impact global markets in such a manner as to have a material adverse effect on the Company's business, operations, financial condition, and stock price.

The military conflict in Ukraine and in the Middle East, and other global conflicts, could lead to heightened volatility in the global markets, increased inflation, and turbulence in commodities markets. In response to Russian military actions in Ukraine, several countries (including Canada, the United States and certain allies) have imposed economic sanctions and export control measures, and may impose additional sanctions or export control measures in the future, which have and could in the future result in, among other things, severe or complete restrictions on exports and other commerce and business dealings involving Russia, certain regions of Ukraine, and/or particular entities and individuals. While the Company does not have any direct exposure or connection to Russia or Ukraine, as the military conflict is a rapidly developing situation, it is uncertain as to how such events, events in the Middle East, and other global conflicts, and any related economic sanctions could impact the global economy and commodities markets. Any negative developments in respect thereof could have a material adverse effect on the Company's business, operations, or financial condition.



Operating cash flow may be insufficient for future needs.

The exploration, development, construction, and operation of the Company's mineral properties will require the commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration, development and construction activities, success of the Company's ongoing operations, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the acquisition of additional property interests, some of which are beyond the Company's control. The Company's business strategies may not be successful, and it may not be profitable in any future period.

To the extent that the Company has negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favorable to the Company.

The Company may be unable to achieve cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness, or maintain its debt covenants.

The Company's ability to make scheduled payments on or refinance its debt obligations, including the Synergy Financing, depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company's control, including the market prices of lithium. The Company may be unable to achieve cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness, or maintain its debt covenants. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, or there is a contravention of its debt covenants, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to affect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow it to meet its scheduled debt service obligations. The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect its financial position and results of operations and its ability to satisfy its obligations.

A substantial portion of the Company's assets (including the Company's interests over the Project) are subject to security granted under the Synergy Financing. Unremedied failure of Sigma Brazil to comply with its obligations under the Synergy Financing could lead to the foreclosure and loss of such assets.

The Company may not be able to obtain sufficient financing in the future on acceptable terms, which could have a material adverse effect on the Company's business, results of operations and financial condition. In order to obtain additional financing, the Company may conduct additional (and possibly dilutive) equity offerings or debt issuances in the future.

There is no assurance that the Company will be able to obtain sufficient financing in the future on terms acceptable to meet the Company's capital requirements, if necessary. The ability of the Company to arrange additional financing in the future will depend, in part, on prevailing capital market conditions as well as the business performance of the Company. Failure to obtain additional financing on a timely basis may cause the Company to postpone, abandon, reduce or terminate its operations and could have a material adverse effect on the Company's business, results of operations and financial condition. A potential source of future financing is the sale of additional Common Shares, which would mean that each existing shareholder would own a smaller percentage of the Common Shares then outstanding. In addition, the Company may issue or grant convertible securities (such as RSUs, warrants or stock options) in the future pursuant to which additional Common Shares may be issued. The exercise of such securities would result in dilution of equity ownership to the Company's existing shareholders.



The Company has entered into the Synergy Financing and may rely on future debt financing and assume debt obligations that require it to make substantial interest and principal payments and which may be secured against the Company's assets, including the Project. Failure to meet debt obligations as they become due may result in loss of the Project. The Company may also sell additional royalties on the Project, which would mean that the Company's share of returns from the Project would decrease.

Western governmental actions in respect of critical minerals may affect the Company's business.

As a result of increased concerns around global supply chains, the lithium industry has become subject to increasing political involvement. This reflects the critical role of lithium as an input in the development of batteries for the burgeoning transition to electric vehicles in the automotive industry, combined with worldwide supply constraints for lithium production and geopolitical tensions between Western countries such as the United States and Canada on the one hand and China on the other, arising from the dominant role of China in the production of inputs for the battery industry. The resulting political involvement appears to be evolving into a form of industrial policy by several governments, including those of Canada and the U.S., in which they employ steps to encourage the development of domestic supply such as tax incentives and low - interest loans to domestic and other Western companies, as well as undertake steps to discourage the involvement of companies from certain non - Western countries, including the expansion of legal oversight and an expansion of the scope of discretionary authority under laws and regulations to impose restrictions on ownership, influence and investment. These factors are of particular relevance to the Company in Canada with its incorporation under the CBCA and stock exchange listing on the TSXV, and in the U.S. through its stock exchange listing on the NASDAQ. The Company is also connected to Canada and the U.S. by way of its board composition. This evolving industrial policy is resulting in benefits to the Company as a result of its connection to Canada and the U.S., including the prospect of tax incentives. However, the Company may also have to manage the more restrictive aspects of this increased government involvement, including the New Investment Canada Act ("ICA") Policy, which may result in limitations on the extent to which the Company will be able to undertake business operations with certain non - Western parties and limitations on ownership and influence of certain non - Western parties in its business. Most recently, the Government of Canada has made certain divestiture orders relating foreign investments, both within and outside of Canada, by State owned enterprises in Canadian lithium companies. The Company had and intends to continue to fully comply with legislation and policies in all jurisdictions where it operates. At this time, the Company does not believe that any of these steps will result in a substantive adverse change to its business or operations, but does expect that over time they may potentially constrain its ability to undertake business opportunities with actors from certain non - Western countries.

The Company has not declared or paid dividends in the past and may not declare or pay dividends in the future.

The Company has not paid dividends since incorporation, and does not intend to declare or pay any cash dividends in the foreseeable future. The Company anticipates that it will retain future earnings and other cash resources for the future operation and development of its business. Payment of any future dividends is solely at the discretion of the Board, which will take into account many factors, including the Company's operating results, financial condition and anticipated cash needs. The Company may never pay dividends.

The Company has increased costs as a result of being a public company both in Canada listed on the TSXV and in the United States listed on the Nasdaq, and its management will be required to devote substantial further time to United States public company compliance efforts.

As a public company in the United States, the Company incurs additional legal, accounting, Nasdaq, reporting and other expenses. The additional demands associated with being a U.S. public company may disrupt regular operations of the Company's business by diverting the attention of some of its senior management team away from revenue-producing activities to additional management and administrative oversight, adversely affecting the Company's ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing its business. Any of these effects could harm the Company's business, results of operations and financial condition.



If the Company's efforts to comply with new United States laws, regulations and standards differ from the activities intended by regulatory or governing bodies, such regulatory bodies or third parties may initiate legal proceedings against the Company and its business may be adversely affected. As a public company in the United States, it is more expensive for the Company to obtain director and officer liability insurance, and it will be required to accept reduced coverage or incur substantially higher costs to continue its coverage. These factors could also make it more difficult for the Company to attract and retain qualified directors.

In addition to the Canadian securities laws requirements to which the Company has already been subject, U.S. Sarbanes-Oxley Act 2002, as amended (the "U.S. Sarbanes-Oxley Act") requires that the Company maintain effective disclosure controls and procedures and internal control over financial reporting. Pursuant to Section 404 of the U.S. Sarbanes-Oxley Act ("Section 404"), the Company is required to furnish a report by its management on its internal control over financial reporting ("ICFR"), which, must be accompanied by an attestation report on ICFR issued by the Company's independent registered public accounting firm. In previous reporting periods, Management of the Company has reported material weaknesses in the Company's internal controls. Further, as noted in the Company's annual MD&A for the year ended December 31, 2023, material weaknesses in its internal control over financial reporting were determined to exist at December 31, 2023. The Company's management, including its chief executive officer and chief financial officer, concluded that the Company's internal control over financial reporting was not effective as of December 31, 2023 due to the presence of these material weaknesses. Although the Company is actively taking steps to remediate these weaknesses, there remains a risk that these material weaknesses create a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Please refer to the Company's annual MD&A for the year ended December 31, 2023 for a more detailed discussion on this matter.

In the event that the Company is not able to remediate the material weaknesses or is otherwise not able to demonstrate compliance with the Sarbanes-Oxley Act, that its internal control over financial reporting is perceived as inadequate, or that it is unable to produce timely or accurate financial statements, the Company could be subjected to litigation or investigations requiring Management resources and payment of legal and other expenses and investors may lose confidence in the Company's operating results and the price of its Common Shares may decline. In addition, if the Company is unable to continue to meet these requirements, it may not be able to remain listed on the Nasdaq.

If the Company does not implement and maintain adequate and appropriate internal controls over financial reporting as outlined in accordance with NI 52-109 or the Rules and Regulations of the SEC. Accordingly, inappropriately designed or ineffective controls could result in inaccurate financial reporting.

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, recorded and reported and assets are safeguarded against unauthorized or improper use. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Management of the Company has identified material weaknesses in Company's internal controls over the last 5 reporting periods. Although the Company is actively taking steps to remediate these weaknesses, there remains a risk that these material weaknesses create a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Please refer to the Company's annual MD&A for the year ended December 31, 2023 for a more detailed discussion on this matter.



As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to its shareholders.

The Company is a "foreign private issuer" as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended, and is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare its disclosure documents filed under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") in accordance with Canadian disclosure requirements. Under the Exchange Act, the Company is subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, the Company will not file the same reports that a U.S. domestic issuer would file with the SEC, although it will be required to file or furnish to the SEC the continuous disclosure documents that it is required to file in Canada under Canadian securities laws. In addition, the Company's officers, directors, and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions of Section 16 of the Exchange Act. Therefore, the Company's shareholders may not know on as timely a basis when its officers, directors and principal shareholders purchase or sell shares, as the reporting deadlines under the corresponding Canadian insider reporting requirements are longer.

As a foreign private issuer, the Company is exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. The Company is also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While the Company expects to comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the Exchange Act and Regulation FD and shareholders should not expect to receive in every case the same information at the same time as such information is provided by U.S. domestic companies.

In addition, as a foreign private issuer, the Company has the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that the Company discloses the requirements the Company is not following and describe the Canadian practices it follows instead. As a result, the Company's shareholders may not have the same protections afforded to shareholders of U.S. domestic companies that are subject to all U.S. corporate governance requirements. If the Company ceases to qualify as a foreign private issuer, it will be subject to the same reporting requirements and corporate governance requirements as a U.S. domestic issuer which may increase its costs of being a public company in the United States.

Failure to retain key officers, consultants, and employees or to attract, and, if attracted, retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.

The success of the Company will be largely dependent upon the performance of its key officers, consultants, and employees. Failure to retain key individuals or to attract, and, if attracted, retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has insurance policy in place to cover directors, officers or key employees and regularly monitors the adequacy of such policy.

The Company is subject to currency fluctuation risks.

Business is transacted by the Company primarily in Brazilian, U.S. and Canadian currencies. The majority of the Project's operating costs are denominated in the Brazilian currency. Certain costs associated with imported equipment and international supplies and consultants and sales prices for product are denominated in U.S. dollars. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction. The Company has not hedged its exposure to any exchange rate fluctuations applicable to its business and is therefore exposed to currency fluctuation risks.

Currently, the Brazilian Real is permitted to float against the US Dollar and allows the purchase and sale of foreign currency and the international transfer of Reais There can be no assurance that the Brazilian Central Bank or the Brazilian government will continue to permit the Real to float freely and not intervene in the exchange rate market through the return of a currency band system or otherwise.



Certain directors and officers of the Company are, or may become, associated with other natural resource companies which may give rise to conflicts of interest.

Certain directors and officers of the Company are, or may become, associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest in any person who is a party to a material contract, or a proposed material contract, with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. Additionally, the CEO and certain directors are actively involved with A10 Fund, being a significant shareholder of the Company, which may give rise to conflicts of interest. Any perceived or actual conflicts of interest may result in adverse consequences for the Company and the value of its securities.

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors beyond its control and the Company may be subject to securities litigation as a result.

The market price of publicly traded shares, especially of a resource issuer such as the Company, is affected by many variables outside of the Company's control and are not necessarily related to exploration or operational successes or failures of the Company. Factors such as general market conditions for resource issuers, the strength of the economy generally, the availability and attractiveness of alternative investments, and analysts' recommendations may all contribute to volatility in the price of the Common shares, which are not necessarily related to the operating performance, underlying asset values or prospects of the Company. Investors could suffer significant losses if the Common Shares are depressed or illiquid when an investor seeks liquidity. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Company may be the target of similar litigation in the future. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

In recent years, publicly traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Company to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company reputation and divert the attention and resources of the Company management and the Board, which could have an adverse effect on the Company's business and results of operations. Even if the Company does undertake such corporate governance changes or corporate actions, activist shareholders may continue to promote or attempt to effect further changes and may attempt to acquire control of the Company to implement such changes. If shareholder activists seeking to increase short - term shareholder value are elected to the Board, this could adversely affect the Company's business and future operations. Additionally, shareholder activism could create uncertainty about the Company's future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Company's business, future operations, profitability, and ability to attract and retain qualified personnel.

If securities analysts, industry analysts or activist short sellers publish research or other reports about the Company's business, prospects or value, which questions or downgrades the value of the Company, the price of the Common Shares could decline.

The trading market for the Company's Common Shares depends, in part, on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who cover the Company downgrade its stock or publish inaccurate or unfavorable research about its business, the price of the Company's Common Shares would likely decline. In addition, if the Company's results of operations fail to meet the forecast of analysts, the price of its Common Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on the Company regularly, demand for Common Shares could decrease, which might cause the price and trading volume of Common Shares to decline. In addition, activist short sellers may publish misleading "short reports", which may also negatively impact the price of the Common Shares and may influence negative disclosure in social media or other online platforms.



The Company will have broad discretion over the use of the net proceeds from offerings of securities.

While information regarding the use of proceeds from the sale of Common Shares or other securities will be described in the applicable prospectus supplement, the Company will have broad discretion over the use of the net proceeds from offerings of its securities. Because of the number and variability of factors that will determine the use of such proceeds, the Company's ultimate use might vary substantially from its planned use. Purchasers may not agree with how the Company allocates or spends the proceeds from an offering of its securities. The Company may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the Common Shares, including the market value of the Common Shares, and that may increase losses.

There is no guarantee that the Common Shares will earn any positive return in the short term or long term.

A holding of Common Shares is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of Common Shares is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

The Company has a major shareholder which owns 43.33% of the outstanding Common Shares and, as such, for as long as such shareholder directly or indirectly maintains a significant interest in the Company, it may be in a position to affect the Company's governance, operations and the market price of the Common Shares.

To the Company's knowledge, A10 Fund holds approximately 43.33% of the outstanding Common Shares (As of December 31, 2023). For as long as it directly or indirectly maintains a significant interest in the Company, A10 Fund may be in a position to affect the Company's governance and operations. As a result of its shareholdings, the A10 Fund has the ability, among other things, to approve significant corporate transactions and delay or prevent a change of control of the Company that could otherwise be beneficial to minority shareholders. The A10 Fund generally will have the ability to control the outcome of any matter submitted for the vote or consent of the Company's shareholders. In some cases, the interests of the A10 Fund may not be the same as those of the other minority shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company or minority shareholders. The effect of this influence may be to limit the price that investors are willing to pay for Common Shares.

In addition, the potential that the A10 Fund may sell Common Shares in the public market or in private transactions, as well as any actual sales of Common Shares in the public market or in private transactions, could adversely affect the market price of the Common Shares.

As the Company is a Canadian corporation but many of its directors and officers are not citizens or residents of Canada or the U.S., it may be difficult or impossible for an investor to enforce judgements against the Company and its directors and officers outside of Canada and the U.S. which may have been obtained in Canadian or U.S. courts or initiate court action outside Canada or the U.S. against the Company and its directors and officers in respect of an alleged breach of securities laws or otherwise. Similarly, it may be difficult for U.S. shareholders to effect service on the Company to realize on judgments obtained in the United States.

The Company is incorporated under the laws of Canada, but a majority of its directors and officers are not citizens or residents of Canada. In addition, a substantial part of the Company's assets is located outside Canada. As a result, it may be difficult or impossible for an investor to (i) enforce judgments against the Company and its directors and officers outside of Canada which may have been obtained in Canadian courts or (ii) initiate court action outside Canada against the Company and its directors and officers in respect of an alleged breach of securities laws or otherwise.



The majority of the Company's assets and all or a substantial portion of the assets of its directors and officers may be located outside the United States. Consequently, it may be difficult for investors who reside in the United States to effect service of process in the United States upon the Company or upon such persons who are not residents of the United States, or to realize upon judgments of courts of the United States predicated upon the civil liability provisions of the U.S. federal securities laws. A judgment of a U.S. court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. Investors should not assume that Canadian courts: (i) would enforce judgments of U.S. courts obtained in actions against the Company or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or blue sky laws of any state within the United States, or (ii) would enforce, in original actions, liabilities against the Company or such persons predicated upon the U.S. federal securities laws or any such state securities or blue sky laws.

In addition, in the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts. The Company's ability to enforce its rights in Canada or locally of judgments from foreign courts could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

The Company is governed by the Canada Business Corporations Act and by the securities laws of the province of Ontario, which in some cases have a different effect on shareholders than the U.S. corporate laws and U.S. securities laws.

The Company is governed by the *Canada Business Corporations Act* and other relevant laws, which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction, and may, together with the Company's constating documents, have the effect of delaying, deferring or discouraging another party from acquiring control of the Company by means of a tender offer, a proxy contest or otherwise, or may affect the price an acquiring party would be willing to offer in such an instance. For example, the material differences between the CBCA and the Delaware General Corporation Law (the "DGCL"), the applicable statutory regime for many U.S. companies, that may have the greatest such effect include, but are not limited to, the following: (i) for material corporate transactions (such as mergers and amalgamations, other extraordinary corporate transactions or amendments to the Company's articles) the CBCA generally requires a two-thirds majority vote by shareholders, whereas the DGCL generally requires only a majority vote; and (ii) under the CBCA, holders of 5% or more of the Company's shares that carry the right to vote at a meeting of shareholders can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL.

The Company is subject to risks associated with its information technology systems and cyber-security.

Threats to information technology systems associated with cyber-security risks and cyber incidents or attacks continue to grow. It is possible that the business, financial and other systems of the Company or other companies with which it does business could be compromised, which might not be noticed for some period of time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, loss or damage to worksite data delivery systems, and increased costs to prevent, respond to or mitigate cyber-security events.

The Company may be a Passive Foreign Investment Company, which may result in adverse U.S. federal income tax consequences for U.S. holders of Common Shares.

Generally, if for any taxable year 75% or more of the Company's gross income is passive income, or at least 50% of the average quarterly value of the Company's assets are held for the production of, or produce, passive income, the Company would be characterized as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. Based on the current profile of the Company's gross income, gross assets, the nature of its business, and its anticipated market capitalization, the Company believes that it was likely a PFIC for the 2023 taxable year. While it has not made a determination of expected PFIC status for the current taxable year, there is a risk that it may be a PFIC in the current taxable year and in the foreseeable future. Because PFIC status is determined on an annual basis and generally cannot be determined until the end of the taxable year, there can be no assurance that the Company will not be a PFIC for the current or future taxable years. If the Company is characterized as a PFIC, the Company's shareholders who are U.S. holders may suffer adverse tax consequences, including the treatment of gains realized on the sale of the Common Shares as ordinary income, rather than as capital gain.



DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value of which, on December 31, 2023, 110,059,471 Common Shares were issued and outstanding. All rights and restrictions in respect of the Common Shares are set out in the Company's articles and the CBCA and its regulations. The Common Shares have no pre-emptive, redemption, purchase or conversion rights. Neither the CBCA nor the constating documents of the Company impose restrictions on the transfer of Common Shares on the register of the Company, provided that the Company receives the certificate(s) representing the Common Shares to be transferred together with a duly endorsed instrument of transfer and payment of any fees and taxes which may be prescribed by the Board from time to time. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or assessment by the Company. The CBCA and the Company's articles provides that the rights and restrictions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by not less than two-thirds of the votes cast in person or by proxy by holders of shares of that class.

The Common Shares entitle the holders to: (i) notice of and to attend any meetings of shareholders and one vote per Common Share at any meeting of shareholders; (ii) dividends, if as and when declared by the Board; and (iii) upon liquidation, dissolution or winding up of the Company, on a *pro rata* basis, the net assets of the Company after payment of debts and other liabilities.

DIVIDENDS AND DISTRIBUTIONS

The Company has no fixed dividend policy and the Company has not declared any dividends on its Common Shares since its incorporation. The Company anticipates that all available funds will be used to undertake exploration and development programs on its mineral properties as well as for the acquisition of additional mineral properties. The payment of dividends in the future will depend, among other things, upon the Company's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if a corporation has retained earnings. There can be no assurance that the Company will generate sufficient earnings to allow it to pay dividends.

MARKET FOR SECURITIES

Market

The Common Shares are traded on the TSXV and the Nasdaq under the symbol "SGML". On March 31, 2024, the closing price of the Common Shares on the TSXV was CAD17.56 and on the Nasdaq was US$12.96.



Trading Prices and Volumes

The table below sets forth the high and low market prices and the volume of the Common Shares traded on the TSXV during the financial year ended December 31, 2023.

Month	High (CAD)	Low (CAD)	Volume
January 2023	43.45	32.62	518,600
February 2023	51.50	37.48	573,800
March 2023	53.01	43.66	784,000
April 2023	54.00	44.70	357,500
May 2023	57.57	44.70	371,100
June 2023	57.05	46.77	294,600
July 2023	55.00	45.75	232,100
August 2023	51.46	39.90	165,000
September 2023	52.90	42.03	290,000
October 2023	43.93	32.86	347,600
November 2023	42.01	29.56	281,400
December 2023	45.00	34.60	249,200

The table below sets forth the high and low market prices and the volume of the Common Shares traded on the Nasdaq during the financial year ended December 31, 2023.

Month	High (US$)	Low (US$)	Volume
January 2023	32.68	24.07	11,378,300
February 2023	38.00	28.02	16,640,300
March 2023	39.04	31.57	20,850,000
April 2023	40.30	32.82	14,055,200
May 2023	42.79	32.83	13,445,000
June 2023	43.18	35.39	13,603,100
July 2023	41.90	34.76	13,525,700
August 2023	39.01	29.44	14,223,500
September 2023	39.38	30.99	20,702,200
October 2023	32.20	23.81	31,966,200
November 2023	30.82	21.20	25,339,100
December 2023	34.31	25.70	26,205,500

PRIOR SALES

The Company did not issue any unlisted securities during the financial year ended December 31, 2023, other than a total of 2,891,288 RSUs which, upon vesting in accordance with their terms, entitle the holders thereof to acquire one Common Share for each RSU held, subject to adjustment in certain circumstances.



DIRECTORS AND OFFICERS

Name and Occupation

The name, province or state of residence, position with and principal occupation within the five preceding years for each of the directors and executive officers of the Company as at the date hereof are set out in the following table:

Ana Cristina Cabral-Gardner São Paulo, Brazil Director Since: June 2018	Position(s) Held at the Company
	Co-Chair of Board of Directors, Chief Executive Officer, a member of the ESG Committee and Co-Chair of the Management Technical Committee.
	Principal Occupation for the Past Five Years
	Former Managing Partner at A10 Investimentos
	Biography
	Ms. Cabral-Gardner has over 20 years of experience as a senior banker at global investment banks in New York, London and São Paulo. Mrs. Cabral-Gardner is a former Head of Lat. Am. Capital Markets at Goldman Sachs in New York and a former Managing Director at the firs. Cabral-Gardner has been involved in a large number of transactions over her career, totaling more than US$100 billion, five of which won the prestigious IFR “Deal of the Year” award, including the privatization of Vale in 1996 and the acquisition of Inco by Vale in 2006. Mrs. Cabral-Gardner has an MBA degree from Columbia Business School and a Master in Finance degree from London Business School. Mrs. Cabral-Gardner serves on the Advisory Board of Columbia University Global Centers and is a CCEC board member of The American School of São Paulo.
	Common Shares Held
	3,000,000
	RSUs Granted
	Nil

Note:

(1) Ms. Cabral is a quota holder in A10 Fund. A10 Investimentos, which is the portfolio manager of A10 Fund, has the sole and independent voting decision regarding the holdings of the A10 Fund.



Marcelo Paiva São Paulo, Brazil Director Since: January 2019	Position(s) Held at the Company
	Director, and also member of the Corporate Governance, Nomination and Compensation and Technical Committees of the Board.
	Principal Occupation for the Past Five Years
	Managing Partner at A10 Investimentos.
	Biography
	Mr. Paiva is the Managing Partner and Co-Founder of A10 Investimentos. He is the portfolio manager of A10 Fund, the Company's largest shareholder. Mr. Paiva has over 20 years of experience in asset management and investment banking in New York, London and São Paulo. Prior to A10 Investimentos, Mr. Paiva was a Portfolio Manager at the Mittal Family Office in São Paulo. Previously, he was a Vice-President at the U.K. asset manager Millennium Global in London, which, at the time, had over US$15 billion in assets under management and was one of the largest hedge funds in Europe. Mr. Paiva also held investment banking positions at Credit Suisse in London and UBS in New York. He has a Master in Business Administration from INSEAD in France and is a CFA Charterholder.
	Common Shares Held
	1,925,610
	RSUs Granted
	82,500

Note:

(1) The Company has entered into an agreement with the A10 Serviços Especializados de Avaliação de Empresas Ltda. ("**A10 Advisory**") to provide services in respect of the February 2021 Offering. The arrangements with A10 Advisory were considered and unanimously approved by each of the directors of the Company unrelated to A10 Advisory, which was entitled to (i) cash fees of up to 6% of the proceeds and (ii) such number of warrants as is equal to up to 6% of the Common Shares purchased by such introduced subscribers (each such warrant entitling the finder to acquire one Common Share at an exercise price of C$4.40 per Common Share and exercisable for one year after the closing of the February 2021 Offering). On February 10, 2022, A10 Advisory exercised it's subscription right purchasing 532,860 Common Shares for the total amount of CAD2,344,584. Mr. Paiva, as shareholder of A10 Advisory, indirectly held 532,860 Common Shares of the Company.

Bechara S. Azar Director Since: July 2023	Position(s) Held at the Company
	Director, and also a member of the Audit and Management Technical Committees of the Board.
	Principal Occupation for the Past Five Years
	Director at Innocap
	Biography
	Mr. Azar has over 17 years of experience of Canadian and international investment management. Mr. Azar is the founder and managing partner of JISRAK, a Montreal based research firm specialized in sourcing and oversight of portfolios on behalf of international Limited Partners. Previously Mr. Azar was a Director at Innocap (a US$ 50 billion alternative investment platform owned by BNY Mellon, Caisse de Depot et Placement du Quebec – CDPQ and BNP Paribas) in Montreal for over 10 years. Mr. Azar also worked for 5 years at HSBC Private Banking in Dubai, Geneva, London and New York. Mr. Azar holds a MSc in Management from the HEC School of Management in Paris and a B. Eng. Electrical Engineering from the American University of Beirut. He is a certified Financial Risk Manager (FRM), Chartered Investment Manager (CIM) and Chartered Alternative Investment Analyst (CAIA). He is a native Arabic and French speaker.
	RSUs Granted
	34,000



Cesar Chicayban São Paulo, Brazil Director Since: July 2023	Position(s) Held at the Company
	Director, Chair of the Corporate Governance, Nomination and Compensation Committee and also a member of the Audit, ESG and Technical Committees of the Board.
	Principal Occupation for the Past Five Years
	CEO and Managing Partner of Vila Rica Capital
	Biography
	Cesar Chicayban is the CEO and Managing Partner of Vila Rica Capital, an independent alternative asset manager focused on credit strategies and special situations. He has over 27 years of experience as a senior banker and advisor in New York, Geneva, London and São Paulo. Mr. Chicayban spent 22 years at Citigroup where he was the Global Market Manager for Citi Wealth Management in New York, responsible for over $300 billion in assets. Before that, he spent 6 years at Itaú-Unibanco and Santander advising institutional and retail clients. Mr. Chicayban holds a B.S. in Economics from the University Federal Fluminense in Rio de Janeiro, an MBA from the University of Rochester – Simon Business School and he completed an Executive Development Program at Harvard Business School. He holds FINRA Series 7, 65 and 24 licenses. Mr. Chicayban serves on the Board of Columbia University Global Center.
	RSUs Granted
	40,000

José Lucas Ferreira de Melo São Paulo, Brazil Director Since: July 2023	Position(s) Held at the Company
	Director, Chair of the Audit Committee and also a member of the Corporate Governance, Nomination and Compensation Committee of the Board.
	Principal Occupation for the Past Five Years
	Board member and Chairman of the Audit Committee at B3 S.A. (Brazils Stock Exchange)
	Biography
	José Lucas Ferreira de Melo has over 40 years of experience in Board of Directors, Audit Committees, Banking C-Level, and Audit Firm partner positions. Mr. Ferreira de Melo was a Board Member and, for 4 years, Chairman of the Audit Committee at B3 S.A. (Brazil's Stock Exchange). Previously Mr. Ferreira de Melo was Board Member and Chairman of the Audit Committee at Dufry AG (Switzerland); and Board Member at Cetip S.A., International Meal Company S.A. (IMC); Restoque S.A. and Diagnósticos da América S.A. Mr. Ferreira de Melo was a member of the Audit Committee at Banco Bradesco. He started his career at PricewaterhouseCoopers (PwC) and was a partner from 1993 to 1997. In addition, Mr. Ferreira de Melo was a Director at CVM (Brazil's Securities Exchange Commission) and chairman of the National Commission for Audit Rules of the Brazilian Accountants Institute. For almost a decade Mr. Ferreira de Melo was a C-Level and executive officer at Unibanco S.A. and Unibanco Holdings S.A. Mr. Ferreira de Melo was also an Executive Director at Febraban (Brazilian Banks Federation). Mr. Ferreira de Melo holds an Accounting Degree from AEUDF. He served as Director at Bienal de São Paulo for 2 mandates.
	RSUs Granted
	38,500



Alexandre Rodrigues Cabral Director Since: July 2023	Position(s) Held at the Company
	Director and Chair of the ESG Committee of the Board.
	Principal Occupation for the Past Five Years
	Member of the Board of the Université de Sherbrooke, and professor of Environmental Management and Sustainability, Environmental Geotechnics and Soil Mechanics.
	Biography
	Alexandre Rodrigues Cabral is an academic focused on the reduction of greenhouse gas emissions. Mr. Rodrigues is a member of the Board of the Université de Sherbrooke, and for the last 27 years he has been teaching Environmental Management and Sustainability, Environmental Geotechnics and Soil Mechanics. He has vast and unique experience in geotechnical issues, such as the beneficial use of industrial residues as a substitute for natural soils. Mr. Rodrigues led successful pioneering projects in the proper use of industrial by-products. Mr. Rodrigues was vice-president of the Canadian Geotechnical Society in the 2000s and is presently a member of the Scientific Advisory Panel of the International Waste Working Group (IWWG). Mr. Rodrigues has worked as a consultant for several companies in Canada, Europe and South America. Previously, he worked for Serrener Consultation, D&G Enviro-Group and Enge-Rio. From 2002 to 2015, Mr. Rodrigues also supervised a humanitarian group in Peru, Haiti, Burkina Faso and Malawi. Mr. Rodrigues holds a B.Eng. from PUC-Rio, Brazil; a M.Sc. (Mineral Engineering) from École Polytechnique de Montréal and a Ph.D. (Civil Eng. & Applied Mechanics) from McGill University.
	RSUs Granted
	34,000

Caio Araujo São Paulo, Brazil Officer Since: August 2023	Position(s) Held at the Company
	Chief Financial Officer
	Principal Occupation for the Past Five Years
	Controller of the CSN Group.
	Biography
	With a career spanning 33 years, Caio Araújo started at PwC as an auditor and advising companies in the global capital market. He was the controller of the CSN Group for more than 12 years, having worked in M&As and in the IPO of CSN Mineração S.A. Before joining Sigma, Caio was director of controllership and treasury at V.tal Rede Neutra de Telecomunicações S.A. Caio is a graduate in business administration and accounting sciences and holds an MBA in Production Engineering from Escola Politécnica da USP and an MBA in Corporate Finance and Investment Banking from Fundação Instituto de Administração-FIA.
	RSUs Granted
	12,000

Each director's term of office expires at the next annual general meeting of the Company.

Shareholdings of Directors and Officers

On December 31, 2023, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 52,851,578 Common Shares, representing approximately 48.02% of the issued and outstanding Common Shares (on a non-diluted basis).



Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director, or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Committees of the Board

Audit Committee	José Lucas Ferreira de Melo, *Chair* Bechara S. Azar Cesar Chicayban
Corporate Governance, Nomination and Compensation Committee	Cesar Chicayban, *Chair* Marcelo Paiva José Lucas Ferreira de Melo
Management Technical Committee	Vicente Lobo, *Co-Chair* Ana Cristina Cabral-Gardner, *Co-Chair* Bechara S. Azar Cesar Chicayban Marcelo Paiva
ESG Committee	Alexandre Rodrigues Cabral, *Chair* Maria José Gazzi Salum, Senior Advisor Cesar Chicayban Ana Cristina Cabral-Gardner

Information concerning the Audit Committee is provided under " Audit Committee Information" below.



Conflicts of Interest

To the best of the Company's knowledge, except as otherwise noted herein and in the Company's public disclosure documents, there are no existing or potential conflicts of interest among the Company, its directors, officers, or other members of management of the Company except that: (i) certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company; and (ii) certain officers and directors are actively involved with A10 Investimentos, being a significant shareholder of the Company, which may rise to conflicts of interest. See above disclosure under the heading "Risk Factors" herein.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest. The Company relies upon its directors and officers to disclose any such conflicts or other aspects of accountability in accordance with the CBCA.

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers, employees and consultants of the Company and its subsidiaries. A copy of the Company's Code of Business Conduct and Ethics may be found on the Company's website at www.sigmalithium.ca and on the Company's profile on SEDAR at www.sedar.com.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Company must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its Audit Committee. The terms of reference of the Audit Committee are substantially reproduced at Schedule "A" hereto.

Composition of the Audit Committee

As of the date hereof, the Audit Committee is comprised of:

Name of Director	Independent (Yes/No)
José Lucas Ferreira de Melo	YES
Bechara S. Azar	YES
Cesar Chicayban	YES

Notes:

(1) Pursuant to Section 6.1.1. of NI 52-110, independence for the purposes of the Audit Committee means the director is not an executive officer, employee or control person of the Company or an affiliate of the Company and has no other material relationship (as defined in Schedule "B") with the Company.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

Mr. Melo has over 40 years of experience in Board of Directors, Audit Committees, Banking C-Level, and Audit Firm partner positions. Mr. Melo was a Director at CVM (Brazil's Securities Exchange Commission) and chairman of the National Commission for Audit Rules of the Brazilian Accountants Institute.



Mr. Azar has over 17 years of experience of Canadian and international investment management and is the founder and managing partner of JISRAK, a Montreal based research firm specialized in sourcing and oversight of portfolios on behalf of international Limited Partners. He is a certified Financial Risk Manager (FRM), Chartered Investment Manager (CIM) and Chartered Alternative Investment Analyst (CAIA).

Mr. Chicayban has over 27 years of experience as a senior banker and advisor in New York, Geneva, London and São Paulo. Mr. Chicayban holds a B.S. in Economics from the University Federal Fluminense in Rio de Janeiro, an MBA from the University of Rochester – Simon Business School and he completed an Executive Development Program at Harvard Business School. He holds FINRA Series 7, 65and 24 licenses.

Each member of the Audit Committee has:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;
(b) the ability to assess the general application of those principles in connection with the estimates, accruals and reserves;
(c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
(d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has it relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52 110 (securities regulatory authority exemption).

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chairman of the Audit Committee deems as necessary.

Audit Fees

The fees for auditor services billed by the Company's external auditors for the last two fiscal years are as follows:

Financial Year[1] [2]	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
2023	$ 1,295,110	$ —	$ —	$ —
2022	$ 1,937,922	$ —	$ 38,349	$ —

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to, nor are any of the Company's properties subject to, any pending legal proceedings or regulatory actions the outcome of which would have a material adverse effect on the Company. Management of the Company is not aware of any material legal proceedings or regulatory actions in which the Company may be a party which are contemplated by governmental authorities or otherwise.



INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in documents filed by the Company on SEDAR, management of the Company is not aware of any material interest, direct or indirect, of any insider of the Company, or any associate or affiliate of any such person, in any transaction within the Company's three most recently completed financial years, or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent of the Common Shares is Computershare Investor Services Inc. located at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, and except as noted below (the material terms of which are further described herein), the Company has not entered into any material contracts within the most recently completed financial year or previous to the most recently completed financial year, and until the date of this report, that are still in effect, other than the US$100,000,000 Pre-Export Financing Agreement dated December 3, 2022 in respect of the Synergy Financing, and the export prepayment agreement entered during the first quarter of 2024 with financial institutions in a total amount of $120,015 with maturities between 90 and 180 days and interests ranging from 5.9% p.a. to 12.0% p.a.

INTERESTS OF EXPERTS

The TR Qualified Persons who have reviewed and approved the Restated Technical Report, dated March 19, 2024, with an effective date of January 18, 2024, are as follows:

- Homero Delboni Jr, B.E., M.Eng.Sc., Ph.D.
- Marc-Antoine Laporte, P. Geo.
- Jarrett Quinn, P.Eng.
- Porfirio Cabaleiro Rodriguez, Meng.
- William van Breugel, P.Eng.

As at the date of this AIF, each of the TR Qualified Persons does not hold any of the outstanding securities of the Company or of any of the Company's associates or affiliates.

None of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any of the Company's associates or affiliates.

KPMG Auditores Independentes Ltda. ("KPMG Ltda."), indepedent registered public accounting firm, prepared a report to the shareholders and Board of Directors of the Company on the statement of financial position of the Company as of December 31, 2023 the related consolidated statements loss, comprehensive loss, changes in shareholders' equity and cash flows for the year then ended and the related notes and on and management's assessment of the effectiveness of internal control over financial reporting as of December 31,2023. KPMG Ltda. has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and also that they are independent accountants with respect to the Company under all relevant United States professional and regulatory standards.



KPMG LLP, independent registered public accounting firm, prepared an auditors' report to the shareholders and Board of Directors of the Company on the statement of financial position of the Company as of December 31, 2022 the related consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for of the year then ended and the related notes. KPMG LLP has advised that they were independent as of the reporting date of June 12, 2023 with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and also that they are independent accountants with respect to the Company under all relevant United States professional and regulatory standards.

ADDITIONAL INFORMATION

Additional information including corporate governance policies of the Company, directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase Common Shares, and securities authorized for issuance under equity compensation plans is contained in the management proxy circular dated June 8th, 2023 for the annual and special meeting of the Company held on June 30, 2023, which is available on SEDAR. Additional financial information is contained in the Company's comparative financial statements and MD&A as at and for the years ended December 31, 2023 and 2022, which are available on SEDAR and on EDGAR.

SCHEDULE "A"
Audit Committee Charter

8 September 2021

1. THE BOARD OF DIRECTORS' MANDATE FOR THE AUDIT COMMITTEE

The Board of Directors (the "Board") has responsibility for the stewardship of Sigma Lithium Corporation (together with its subsidiaries, as applicable, the "Corporation"). To discharge that responsibility, the Board is obligated by the *Canada Business Corporations Act* to supervise the management of the business and affairs of the Corporation. The Board's supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Corporation's business and affairs.

Public financial reporting and disclosure by the Corporation are fundamental to the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's financial reporting and disclosure is to gain reasonable assurance of the following:

(a) that the Corporation complies with all applicable laws, regulations, rules, policies and other requirement of governments, regulatory agencies and stock exchanges, if applicable, relating to financial reporting and disclosure;

(b) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Corporation's financial statements are appropriate in the prevailing circumstances;

(c) that the Corporation's quarterly and annual financial statements are accurate within a reasonable level of materiality and present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles; and

(d) that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public, to the extent required by applicable securities laws, in a timely manner in accordance with corporate and securities law and with stock exchange regulations, if applicable.

The Board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reliably met unless the following activities (the "Fundamental Activities") are, in all material respects, conducted effectively:

(a) the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions and consistent with internal financial controls implemented by companies of similar size and peer group as the Corporation;



(b) the internal financial controls are regularly assessed for effectiveness and efficiency consistent with assessments performed by company's of similar size and peer group as the Corporation;

(c) the Corporation's quarterly and annual financial statements are properly prepared by management to comply with International Financial Reporting Standards ("IFRS"); and

(d) the Corporation's annual financial statements (and, if determined necessary by the Board, its quarterly financial statements) are reported on by an external auditor appointed by the shareholders of the Corporation.

To assist the Board in its monitoring of the Corporation's financial reporting and disclosure, and to conform to applicable corporate and securities law, the Board has established the Audit Committee (the "Committee") of the Board.

The role of the Committee is to assist the Board in its oversight of the integrity of the financial and related information of the Corporation, including its consolidated financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them.

2. COMPOSITION OF COMMITTEE

The Committee shall be appointed annually by the Board and consist of at least three members from among the directors of the Corporation, at least a majority of whom (or, if required by applicable law or stock exchange rules, each of whom) shall be an independent director, subject to applicable grace periods provided by The Nasdaq Stock Market, and must not have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years. Officers of the Corporation who are also directors may not serve as members of the Committee. In accordance with National Instrument 58-101, a director is considered "independent" to the Corporation if he or she has no direct or indirect "material relationship" with the Corporation or any of its subsidiaries which could, in the view of the Board, reasonably interfere with the exercise of his or her This Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate, independent judgment. Notwithstanding the foregoing, a reflecting the following: director will be deemed to have a "material relationship" with the Corporation (and therefore be considered as not independent) if he or she falls in one of the categories listed in Schedule "A" attached hereto. All members of the Committee must also be "financially literate" (meaning that he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected and be raised by the Corporation's financial statements).

The Board shall designate a chairperson of the Committee (the "Chair").

In the event of a vacancy arising in the Committee or a loss of independence of any member (if previously independent and as a result the composition of the Committee no longer meets applicable independence requirements), the Committee will fill the vacancy within six months or by the following annual shareholders' meeting if sooner.

3. RELIANCE ON EXPERTS

In contributing to the Committee's discharging of its duties under this Charter, each member of the Committee shall be entitled to rely in good faith upon:

(a) financial statements of the Corporation represented to him by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and



(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. LIMITATIONS ON COMMITTEE'S DUTIES

In contributing to the Committee's discharging of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavor to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to the Board.

5. AUDIT COMMITTEE RESPONSIBILITIES (GENERAL)

- Operating principles;
- Operating procedures; and
- Specific responsibilities and duties.

While the Committee has the responsibilities set forth in this Charter, it is not the duty of the Committee to prepare the financial statements, plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with IFRS and applicable rules and regulations. Primary responsibility for the financial reporting, information systems, risk management, and disclosure controls and internal controls of the Corporation is vested in management.

(a) Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

(i) Committee Values

The Committee expects management of the Corporation to operate in compliance with corporate policies; reflecting laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

(ii) Communications

The Committee, and its members, expect to have direct, open and frank communications throughout the year with management, other committee chairs, the external auditors, and other key Committee advisors or Corporation staff members, as applicable.

(iii) Delegation

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that may be lawfully delegated.

(iv) Financial Literacy

All Committee members should be sufficiently versed in financial matters to read and understand the Corporation's financial statements and also to understand the Corporation's accounting practices and policies and the major judgements involved in preparing the financial statements.

(v) Annual Committee Work Plan

The Committee, in consultation with management and the external auditors, shall develop an annual Committee work plan responsive to the Committee's responsibilities as set out in this Charter. In addition, the Committee, in consultation with management and the external auditors, shall participate in a process for review of important financial topics that have the potential to impact the Corporation's financial disclosure.



The work plan will be focused primarily on the annual and interim financial statements of the Corporation; however, the Committee may at its sole discretion, or the discretion of the Board, review such other matters as may be necessary to satisfy the obligations set out in this Charter.

(vi) Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with other Committee members, senior management and the external auditors.

(vii) Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at a reasonable time in advance of meeting dates.

(viii) Access to Committee

Representatives of the external auditor and management of the Corporation shall have access to the Committee each in the absence of the other.

(ix) External Resources

To assist the Committee in discharging its responsibilities, the Committee may at its discretion, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise, including independent counsel.

(x) In Camera Meetings

At the discretion of the Committee, the members of the Committee shall meet in private session with the external auditors. In addition, at the discretion of the Committee, the members of the Committee shall meet in private with management of the Corporation, without the auditors being present at such meeting.

(xi) Reporting to the Board

The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

(xii) The External Auditors

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall report directly to and be accountable to the Committee. The external auditors shall report all material issues or potentially material issues, either specific to the Corporation or to the financial reporting environment in general, to the Committee.

(xiii) Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the board of directors, for payment of:

(A) Compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer;

(B) Compensation to any advisers employed by the Committee; and

(C) Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.



(b) Operating Procedures

(i) The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the external auditors.

(ii) A quorum shall be a majority of the members.

(iii) Unless the Committee otherwise specifies, the Corporate Secretary (or her or his deputy) of the Corporation shall act as Corporate Secretary of all meetings of the Committee.

(iv) In the absence of the Chair of the Committee, the members shall appoint an acting Chair.

(v) A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.

(vi) Notice of the time and place of every meeting shall be given in writing by any means of transmitted or recorded communication, including facsimile, email or other electronic means that produces a written copy, to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member of the Committee may in any manner waive a notice of the meeting. Attendance of a member of the Committee at a meeting constitutes waiver of notice of the meeting, except where the member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called.

(vii) Subject to any law or the articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next regularly scheduled meeting of the Board).

6. SPECIFIC RESPONSIBILITIES AND DUTIES OF AUDIT COMMITTEE

To fulfill its responsibilities and duties, the Committee shall:

(a) Financial Reporting

(i) Review, prior to public release, the Corporation's annual and quarterly financial statements with management and the external auditors (with respect to quarterly financial statements, if they are to be reviewed by the external auditors) with a view to gaining reasonable assurance that the statements (A) are accurate within reasonable levels of materiality, (B) complete, and (C) represent fairly the Corporation's financial position and performance in accordance with IFRS. The Committee shall report thereon to the Board before such financial statements are approved by the Board (with respect to quarterly financial statements, if they are to be prepared and approved by the Board, and not just the Committee).

(ii) Receive from the external auditors reports of their review of the annual and quarterly financial statements (with respect to quarterly financial statements, if they are to be reviewed by the external auditors) and any management letters issued to the management of the Corporation.

(iii) Receive from management a copy of any representation letter provided to the external auditors and receive from management any additional representations required by the Committee.

(iv) Review, prior to public release, to the extent required pursuant to applicable securities laws, and, if appropriate, recommend approval to the Board, of news releases, to the extent required pursuant to applicable securities laws, and reports to shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements.

(v) Review and, if appropriate, recommend approval to the Board of financial statements included in prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar components of disclosure documents that may be issued by the Corporation.

(vi) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation from any party regarding accounting, auditing or internal controls and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. For greater certainty, the Committee's responsibilities in this area will not include complaints about minor operational issues. Examples of minor operational issues include late payment of invoices, minor disputes over accounts owing or receivable, revenue and expense allocations and other similar items characteristic of the normal daily operations of the accounting department of a mining company.



(b) Accounting Policies

(i) Review with management and the external auditors the appropriateness of the Corporation's accounting policies, disclosures, reserves, key estimates and judgements, including changes or variations thereto.

(ii) Obtain reasonable assurance that they are in compliance with IFRS from management and external auditors and report thereon to the Board.

(iii) Review with management and the external auditors the degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgements and provisions along with quality of financial reporting.

(iv) Participate, if requested, in the resolution of disagreements, between management and the external auditors.

(v) If applicable, review with management the policies and procedures used for the categorization of flow-through expenditures and the qualification of such expenditures to satisfy the Corporation's existing obligations.

(c) Risk and Uncertainty

(i) Acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies. The Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:

(A) reviewing with management the Corporation's tolerance for financial risks;

(B) reviewing with management its assessment of the significant financial risks facing the Corporation;

(C) reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial risks; and

(D) reviewing with management its plans, processes and programs to manage and control such risks.

(ii) Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion.

(iii) Review foreign currency, interest rate and commodity price risk mitigation strategies, including the use of derivative financial instruments.

(iv) Review the adequacy of insurance coverages maintained by the Corporation.

(v) Review regularly with management, the external auditors and the Corporation's legal counsel, any legal claims or other contingencies, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

(d) Financial Controls and Control Deviations

(i) Review the plans of the external auditors to gain reasonable assurance that the evaluation and testing of applicable internal financial controls is comprehensive, coordinated and cost-effective.

(ii) Receive regular reports from management and the external auditors on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereof.

(iii) Institute a procedure that will permit any employee of the Corporation, including management employees, to bring to the attention of the Chair, under conditions of confidentiality, concerns relating to financial controls and reporting which are material in scope and which cannot be addressed, in the employee's judgement, through existing reporting structures in the Corporation.

(iv) Receive and periodically assess reports from management on the policies and procedures used to asses and ensure the adequacy of controls over financial information disclosed to the public, which is extracted or derived from the Corporation's financial statements.



(e) Compliance with Laws and Regulations

(i) Review regular reports from management and others (e.g. external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:

(A) tax and financial reporting laws and regulations;

(B) legal withholding requirements; and

(C) other laws and regulations which expose directors to liability.

(ii) Review the filing status of the Corporation's tax returns, (if applicable) flow-through share renunciation filings and those of its subsidiaries.

(f) Relationship with External Auditors

(i) Be directly responsible for the appointment and retention any external auditors engaged.

(ii) Approve the remuneration and the terms of engagement of the external auditors as set forth in the relevant engagement letter. The Chair has the authority to pre-approve non-audit services which may be required from time to time.

(iii) Review the performance of the external auditors annually or more frequently as required (including resolution of disagreements between management and the auditors regarding financial reporting).

(iv) Receive annually from the external auditors an acknowledgement in writing that the shareholders, as represented by the Board and the Committee, are their primary client.

(v) Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation.

(vi) Review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, and the materiality levels which the external auditors propose to employ.

(vii) Meet with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee.

(viii) Establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.

(ix) Establish a reporting relationship between the external auditors and the Committee such that the external auditors can bring directly to the Committee matters that, in the judgement of the external auditors, merit the Committee's attention. In particular, the external auditors will advise the Committee as to disagreements between management and the external auditors regarding financial reporting and how such disagreements were resolved.

(x) Receive a formal written statement delineating all relationships between the external auditors and the Corporation, actively engage in a dialogue with the external auditors with respect to any disclosed services or relationships that might impact their objectivity and independence, and as needed, take or recommend the Board take appropriate action to oversee the independence of the external auditors.

(g) Other Responsibilities

(i) After consultation with the Chief Financial Officer and the external auditors, consider at least annually, the quality and sufficiency of the Corporation's accounting and financial personnel and other resources.

(ii) Approve in advance non-audit services, including tax advisory and compliance services, provided by the external auditors. However, the Committee can establish a threshold amount for fees for non-audit services to be provided by the external auditors without advance approval of the Committee. The nature of such services and the associated cost will be provided to the Committee at the next following meeting.



(iii) Investigate any matters that, in the Committee's discretion, fall within the Committee's duties.

(iv) Perform such other functions as may from time to time be assigned to the Committee by the Board.

(v) Review this Charter on a regular basis and prepare any appropriate updates for approval by the Board.

(vi) Review disclosures regarding the organization and duties of the Committee to be included in any public document, including quarterly and annual reports to shareholders, information circulars and annual information forms.

(vii) Review and reassess the adequacy of this Charter on an annual basis.

(viii) Conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis.

EXHIBIT "A" TO THE AUDIT COMMITTEE CHARTER

Meaning of "material relationship"

A "material relationship" is a relationship that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

The following individuals are considered to have a material relationship with the issuer:

(A) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(B) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(C) an individual who: (i) is a partner of a firm that is the issuer's internal or external auditor,

(D) (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(E) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the issuer's internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(F) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(G) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

An individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified above if that relationship ended before March 30, 2004; or (b) he or she had a relationship identified above by virtue of such relationship being with a subsidiary entity or a parent of that issuer, if that relationship ended before June 30, 2005.

An individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member (a) has previously acted as an interim chief executive officer of the issuer, or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

For the purposes of "C" and "D" above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.



For the purposes of “F” above, direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Despite any determination made whether an individual has a material relationship with an issuer, an individual who (a) accepts directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer. The indirect acceptance by an individual of any such consulting, advisory or other compensatory fee includes acceptance of a fee by (a) an individual’s spouse, minor child or stepchild, or a child or stepchild who shares the individual’s home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

“company” - any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“control” - the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

“executive officer” of an entity – means an individual who is (a) a chair of the entity; (b) a vice- chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity;

“issuer” includes a subsidiary entity of the issuer and a parent of the issuer;

“person” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative; and

“subsidiary entity” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.

Approved by the Board on September 8, 2021



SCHEDULE "B"
DEFINITIONS

The following is a glossary of certain defined terms used in this AIF. Where the context requires, (i) words importing the singular include the plural and *vice versa* and (ii) words importing any gender include all genders.

"Restated Technical Report"	means the technical report titled "Grota do Cirilo Lithium Project, Araçuaí and Itinga Regions, Minas Gerais, Brazil, NI 43-101 Amended & Restated Technical Report" dated June 12, 2023, with an effective date of October 31, 2022.
"A10 Fund"	means A10 Investimentos Fundo de Investimento de Ações – Investimento no Exterior.
"A10 Investimentos"	Means A10 Investimentos Ltda.
"Board"	means the board of directors of the Company.
"CAPEX"	means the capital expenditure defined in the Restated Technical Report.
"CBCA"	means the *Canada Business Corporations Act*.
"CIM Definition Standards"	means the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves.
"cm"	means centimeters.
"Common Shares"	means common shares in the capital of the Company.
"Company" or "Sigma"	means Sigma Lithium Corporation (formerly named Sigma Lithium Resources Corporation) and, as the context requires, its subsidiaries.
"DMS"	means dense medium separation.
"EDGAR"	means the Electronic Data Gathering, Analysis, and Retrieval developed for the United States Securities Administrators (www.edgar.com).
"GAAP"	means Generally Accepted Accounting Principles.
"Greentech Plant"	means the commercial production plant as described in the Restated Technical Report.
"IFRS"	means International Financial Reporting Standards.
"kg"	means kilograms.
"km"	means kilometers.
"km2"	means square kilometers.
"Kv"	means kilovolts.
"LCE"	means lithium carbonate equivalent. Lithium is converted to lithium carbonate (Li2CO3) by multiplying lithium metal mass by 5.323.
"Li_2O"	means 1.3% lithium oxide.
"m"	means meters.
"m3"	means cubic meters.
"MD&A"	means management discussion and analysis.
"mm"	means millimeters.
"mg/L"	means milligrams per liter.
"NI 43-101"	means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.
"NI 52-110"	means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.
"Phase 1"	means the Xuxa deposit located in the Project.
"Phase 1 FS"	means the updated feasibility study for Phase 1 included in the Restated Technical Report.
"Phase 2"	means the Barreiro deposit located in the Project.
"Phase 3"	means the Nezinho do Chicão deposit located in the Project.



"Phase 2 & 3"	means the combination of Phase 2 and Phase 3 located in the Project.
"Phase 1 & 2 PFS"	means the preliminary feasibility study for Phase 2 & 3 included in the Restated Technical Report.
"ppm"	means parts per million.
"Qualified Person"	means a qualified person for purposes of NI 43-101.
"SEC"	means the U.S. Securities and Exchange Commission.
"SEDAR"	means the System for Electronic Document Analysis and Retrieval developed for the Canadian Securities Administrators (www.sedar.com).
"Sigma Holdings"	means Sigma Lithium Resources Inc., the wholly-owned British Columbia subsidiary of the Company through which Sigma Brazil is held.
"Sigma Brazil"	means Sigma Mineração S.A., the indirect wholly-owned Brazilian subsidiary of the Company.
"Synergy Financing"	has the meaning given under "General Development of the Business – Three Year History – 2022".
"t"	means tonnes.
"TR Qualified Persons"	has the meaning given under "Description of the Business - Summary of the Restated Technical Report".
"TSXV"	means the TSX Venture Exchange.
"Updated Technical Report"	means the technical report titled "Grota do Cirilo Lithium Project, Araçuaí and Itinga Regions, Minas Gerais, Brazil, NI 43-101 Updated Technical Report" dated March 19, 2024, with an effective date of January 18, 2024.
"Var"	means variability.

Certain Other Definitions

"material relationship" A "material relationship" is a relationship that could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. The following individuals are considered to have a material relationship with the issuer:

A. an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

B. an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

C. an individual who: (i) is a partner of a firm that is the issuer's internal or external auditor, (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

D. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the issuer's internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

E. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

F. an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12-month period within the last three years.

An individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified above if that relationship ended before March 30, 2004; or (b) he or she had a relationship identified above by virtue of such relationship being with a subsidiary entity or a parent of that issuer, if that relationship ended before June 30, 2005.

An individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member (a) has previously acted as an interim chief executive officer of the issuer, or (b) acts, or



has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

For the purposes of "C" and "D" above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purposes of "F" above, direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Despite any determination made whether an individual has a material relationship with an issuer, an individual who (a) accepts directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer. The indirect acceptance by an individual of any such consulting, advisory or other compensatory fee includes acceptance of a fee by (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

"company"	any corporation, incorporated association, incorporated syndicate or other incorporated organization.
"control"	the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.
"executive officer"	of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity.
"issuer"	includes a subsidiary entity of the issuer and a parent of the issuer.
"person"	an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.
"subsidiary entity"	a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

Exhibit 99.2



SIGMA LITHIUM CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE & TWELVE MONTHS ENDED DECEMBER 31, 2023

INTRODUCTION & BACKGROUND

This management's discussion and analysis dated as of December 31, 2023 (this "**MD&A**") of the financial condition and results of operations of Sigma Lithium Corporation ("**Sigma**", "**Sigma Lithium**" or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three-month period ended December 31, 2023 and for the year then ended. This MD&A should be read in conjunction with the audited annual financial statements of the Company for the years ended December 31, 2023 and 2022 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted.

The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Unless inconsistent with the context, references in this MD&A to the "Company" or "Sigma" are references to the Company and its subsidiaries.

The Company's registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. The Company's common shares ("**Common Shares**") trade under the symbol "SGML" in the United States on Nasdaq and in Canada on the TSX Venture Exchange ("**TSXV**"). Additionally, Brazilian Depositary Receipts ("**BDRs**") trade under the symbol "S2GM34" in Brazil on the B3 exchange.

Further information about the Company and its operations, including the financial statements referred to above and the Company's annual information form, is available on the Company's website at www.sigmalithium.ca, at www.sedarplus.ca (SEDAR) and at www.sec.gov (EDGAR). The information included on the website or that might be accessed through our website is not included in this annual report and is not incorporated into this annual report by reference.

The information herein should be read in conjunction with the technical report titled "Grota do Cirilo Lithium Project Araçuaí and Itinga Regions, Minas Gerais, Brazil, Amended Technical Report (the "Technical Report"), issued March 21, 2024, which was prepared for Sigma Lithium by the following qualified persons: Homero Delboni Jr., MAusIMM, Promon Engenharia; Marc-Antoine Laporte, P.Geo, SGS Canada Inc; Jarrett Quinn, P.Eng., Primero Group Americas; Porfirio Cabaleiro Rodriguez, (MEng), FAIG, GE21 Consultoria Mineral; and Noel O'Brien, B.E., MBA, F AusIMM (the "Updated Technical Report"). The Updated Technical Report is filed on SEDAR and is also available on the Company's website.

Additionally, the Company is announcing that it has filed an update to the Mineral Resource Estimate section of its technical report titled "Grota do Cirilo Lithium Project Araçuaí and Itinga Regions, Minas Gerais, Brazil, Amended and Restated Technical Report" confirming the mineral resource estimate revisions as published by the Company on January 31, 2024.

The figures in this MD&A are presented in Canadian dollars and are referred herein as "**$**", "**C$**" or "**CAD**".

Readers should refer to and carefully consider the sections below titled "Risk Factors", "Cautionary Note Regarding Forward-Looking Information" and "Cautionary Note Regarding Mineral Reserve and Mineral Resource Estimates ".

OUR BUSINESS

Sigma is a commercial producer of high purity, environmentally conscious, lithium concentrate. The Company 's existing Phase 1 operations and planned tripling of capacity through Phase 2 and 3 expansions represent one of the largest hard rock lithium mining and beneficiation complexes in the world. Our assets are located in the municipalities of Araçuaí and Itinga in the northeastern part of the state of Minas Gerais, Brazil. The Company owns 100% of the operating assets indirectly through its wholly-owned subsidiary Sigma Mineração S.A. ("**Sigma Brazil**"), with the Project area comprised of 29 mineral rights (which include mining concessions, applications for mining concessions, exploration authorizations, applications for mineral exploration authorizations) spread over 185 km², located within the broader 19,000-hectare land package held by Sigma Brazil (containing the Grota do Cirilo, Sao Jose, Genipapo and Santa Clara properties).

Sigma's operations are vertically integrated, with the Company 's mines supplying spodumene bearing material to its lithium production and processing plant (the "**Greentech Plant**"). The Greentech Plant is designed and operated to produce a 5.1% to 6.0% high purity lithium concentrate ("**Green Lithium**"), engineered to the specifications of the Company 's customers in the rapidly expanding lithium-ion battery supply chain for electric vehicles ("**EVs**"), in an environmentally friendly way through a fully automated and digital dense medium separation ("**DMS**") technology process. The Greentech Plant was built after the completion of engineering to the level of Front-End Loading Level 3 ("**FEL-3**") stage precision and extensive testing at the Company's on-site demonstration pilot plant, which had been in operation since late 2018 and ceased operations upon commissioning of the Company's Phase 1 Greentech Plant.

Sigma is taking a phased approach to its operations, with production at its Phase 1 Greentech Plant and associated mine which began operations in April 2023. At 270,000 tonnes per annum of 5.5% spodumene concentrate production capacity, we believe Phase 1 has positioned the Company as a globally relevant, Tier 1, concentrate producer. The Company plans to expand its production footprint through the buildout of Phase 2 and ultimately Phase 3 Greentech Plants, which is expected to nearly triple production from current levels. The existing shared infrastructure built with the Phase 1 Greentech Plant is expected to support these two additional production lines, with each of the phases designed to follow a similar workstream as demonstrated at Phase 1.

Phase 1 of Greentech Plant also produces a low-grade, high-purity, zero-chemical, hypofine by-product ("**Green By-Products**") at approximately 1.3% lithium oxide ("**Li_2O**"), which can be sold to strengthen Sigma 's ESG-centric approach to pioneer a "zero tailings" environmental sustainability strategy, minimizing the environmental footprint of tailings storage with a positive ecosystem impact, while also generating an additional revenue stream to the Company.

As the Company's mission statement has been guided by adhering to the highest level of environmental, social and governance ("**ESG**") practices since inception in 2012, the Company has developed in a sustainable way. Additionally, the Company is focused on social programs promoting sustainable development, inclusion (including on the Company's Board of Directors (the "**Board**")), and upskilling local people in the region where we operate. As a result, the Company has committed to the strategies outlined in Table 1 below, to advance the development of its operations in a responsible and sustainable way. The Company is proud to report that it has successfully delivered on its "net zero carbon" program through the purchase of carbon credit "in-setting", achieving "quintuple zero" production from the onset. Over the longer term, Sigma plans to build upon its ESG commitments through more innovative programs including increasing its trucking fleet's fuel consumption to a target of 50% biofuels.

Table 1: Summary of Sigma 's ESG-Driven Decisions & Strategies

Governance	Sustainable Development	Greentech Plant
CEO / Co- Chairpersons: 100% / 50% female (1)	Phase 1 built as two pits to	Zero net carbon, tailings
Board Independence: 67% independent (2)	preserve seasonal stream	dams and hazardous chemicals
Board Committees Chair Independence: 88% independent (3)	Social programs / commitment to	Zero potable water use
Board Diversity: 33% female representatives / LGBTQ representation (4)	local hiring and training	100% green hydro power

(1) The Company's CEO is female (100%); and the Board of Directors has two chairpersons whose one (50%) is female.
(2) The Board of directors has six members, and four of them (67%) are independent.
(3) The Board Committees, which includes "Audit Committee", "Compensation & Governance", "ESG Committee" and "Technical Committee" has eight members, and seven of them (88%) are independent.
(4) The Board of directors has two members (33%) that represent women and LGBTQ community.

OPERATIONAL HIGHLIGHTS

Sigma finished construction of its Phase 1 Greentech Plant in 1Q 2023, with first commercial production in April 2023. Sigma was able to achieve initial production on schedule as a result of accelerating construction in the fourth quarter of 2022, with the construction workforce increasing to more than 1,000 workers. The plant's dry-stacking circuit is a pioneering achievement in the lithium industry but took additional time to effectively commission. Challenges here were overcome in June 2023. Monthly production increased successively through December, when the facility sustained operations at average annualized nameplate capacity levels of 270,000 tonnes. For the year ended December 31, 2023, the Company has achieved the following significant milestones:

- Produced 105.1k tonnes of Green Lithium concentrate.
- Shipped a total of 102.5k tonnes of Green Lithium.
- Sustained average production at nameplate capacity levels ("full capacity") for the entire month of December, resulting in the production of 22.5kt of Green Lithium over the 31-day period.
- Achieved record 24-hour period production of 890 tonnes of Green Lithium in October 2023, with design recovery of 65% and Greentech Plant utilization rate of 85% achieved during the 24-hour period.
- Completed a shipment of 16.5k tonnes of Green By-Products to our first customer, in July 2023.
- Completed the coarse and fines of the Dense Media Separation ("**DMS**") circuits commissioning and initial production on schedule in April 2023.
- Completed the electromechanical assembly of the raw water supply piping and the installation of equipment, including water tanks in February 2023 and;
- Completed crushing circuit commissioning on schedule in February 2023.

Table 2: **Summary of Key 2023 Operating Metrics**

Key Operating Metrics	Unit	2023
Production		
Green Lithium Recovery Rate	*(%)*	52%
Green Lithium Production	*(kt) (*)*	105.1
Grade of Green Lithium Produced	*(%)*	5.3%
Green By-Product Production	*(kt)*	197.4
Sales		
Total Net Revenue	*(C$million)*	181.2
Production		
Green Lithium Recovery Rate	*(%)*	52%

(*) kt (thousand of tons)

Going forward, the Company intends to remain focused on completing the following key workstreams in 2024:

- Continue operating its Phase 1 Greentech plant at nameplate capacity production levels;
- Commence construction on the Phase 2 Greentech expansion following the announcement on April 1, 2024, of the conclusion of the Final Investment Decision. With earthworks commencing in April, the Company expects construction and assembly on an accelerated plan to begin in 4Q24. Sigma Lithium plans to finance the capital expenditures for Phase 2 with cash on hand and expected free cash flow generation from its future shipments of lithium concentrate.

Commercial Agreements

The Company made five shipments of Green Lithium and two shipments of Green By-Product during the year ended December 31, 2023. On September 21, 2023, the Company announced its ongoing commercial arrangement with Glencore AG for sales and marketing of its Green Lithium. The agreement with Glencore aims to build a low carbon, environmentally and socially sustainable global lithium supply chain for electric vehicles. Sigma Lithium made four shipments through this arrangement during the second half of 2023, totaling 87.5k tonnes of Green Lithium and 16.0k tonnes of Green By-Product.

In total, the Company shipped in 2023 102.5k tonnes of Green Lithium and 32.5k tonnes of Green By-Product.

Health & Safety

Health and safety remain Sigma 's primary focus at the operating site, and the Company is proud to report the following achievements as of the date of this MD&A:

- The alignment of the Health, Safety, and Environment (HSE) operational strategy has been championed, with the objective of translating the values of senior management to the leaders embedded in the operation. Effective communication ensures that everyone involved understands the strategy, its objectives, and their role in its implementation. This clarity helps align efforts and prioritize results.
- The Company is actively engaged in the development of a Health, Safety, and Environment Management System, with the aim of bolstering its operational resilience and efficiency. In pursuit of this goal, leaders have been appointed to oversee key aspects of health, safety, and environmental management. Concurrently, operational procedures are undergoing standardization and enhancement to ensure optimal performance.
- Weekly organizational meetings have been established to share best practices. Led by site-based directors, these meetings aim to continually enhance the work environment and the health and safety processes.
- The Company upholds employee involvement as a core principle in continuously improving the health and safety system. This commitment is reinforced through the strengthening of the Internal Accident Prevention Committee

Over the course of 2023, the Company had 8 recorded injuries and a total recorded injury frequency of 3.71 (as per International Council on Mining and Metals ("**ICMM**") metric of total recorded cases per worked hours). Days without an injury totaled 197.

PHASE 1 MINING PROGRESS

As of the date of this MD&A, the Company has achieved the following significant milestones:

- Although the operation began in April 2023, the Company achieved full-scale mining in May 2023;
- Implemented dust, vibration and noise control initiatives during the first quarter of 2023 (including application of polymers on roads and slopes, an automated spray system and road sheeting with coarse reject gravel generated from Greentech Plant production);
- Completed the bridge over the Piaui "seasonal stream" that divides the Phase 1 north and south pits to improve transportation efficiency in April 2023;
- Completed the seeding of vegetation cover for the initial waste pile slopes (where non-mineralized material will be dry stacked) in February 2023;
- Established geotechnical parameters for piles and pits, as well as parameters for drilling and blasting using explosives;
- Phase 1 south pit pre-stripping completed in February 2023, as the Company plans to simultaneously source feedstock ore from both the north and south pits;

- Run of mine pad was finalized in the first quarter of 2023; and
- Completed the construction of mine haul roads linking the Phase 1 north pit and Phase 1 south pit to the Greentech Plant and waste pile locations.
- A technical team with experienced professionals was formed to manage the Mining Planning stages; Geology and Quality Control; Operation and Infrastructure; and Geotechnics;

Table 3: Total Mined and Processed Material

	Units	Q1	Q2	Q3	Q4	Total
Ore mined	dmt	26,497	124,491	381,044	435,211	967,243
Waste mined	dmt	1,595,795	3,343,499	2,922,291	2,533,089	10,394,673
Total material mined	dmt	1,622,292	3,467,990	3,303,335	2,968,300	11,361,916
Ore crushed	dmt	—	107,710	343,078	396,945	847,733

Note: "dmt" (dry metric tonnes).

Going forward, the Company intends to remain focused on the following workstreams:

- Continue to transport stockpiled ore to the run of mine pad to ensure sufficient Greentech Plant ore feed on an ongoing basis; and
- Continue to implement grade control systems to optimize mine and processing recovery during production ramp-up.

Sigma has been employing contract mining, with a third party engaged as the Company 's mining contractor.

PHASE 2 DEVELOPMENT PROGRESS

During the calendar year-ended 2023, Sigma Lithium continued to advance development work for a potential Phase 2 or 2 & 3 production expansion, after announcing the results of the Phase 2 & 3 pre-feasibility study ("**PFS**") in December 2022. On April 1st, 2024, Sigma Lithium announced that its Board of Directors had made a Final Investment Decision ("**FID**") on its Phase 2 plans. The second Greentech line is expected to increase the Company's capacity of Green Lithium concentrate by 250,000 tons per year, at a total capital expenditure budgeted of $136 million (see Table 4 below). The full license to build and operate the new industrial plant ("Phase 2") was awarded to the Company in the first quarter of 2024.

The Phase 2 & 3 PFS investigated the opportunity to fast-track Phase 3 production and to build a dual plant which could process both Phase 2 and Phase 3 ore feed simultaneously to deliver a greater production increase in 2025 (if warranted by feasibility study) versus the sole Phase 2 expansion originally envisioned in the Phase 2 preliminary feasibility study completed in May 2022. However, as lithium markets have evolved, the Company has shifted its plans back towards a more incremental approach to expansion. Accordingly, the Company engaged its local Phase 1 Engineering Purchase Construction Management ("**EPCM**") contractor to direct Engineering and Construction initiatives on a rebuild of its Phase 1 plant, which is expected to nearly double the Company's existing production capacity.

The Phase 2 Project is expected to increase production capacity by 250,000 tons per annum of spodumene concentrate from Sigma's Grota do Cirilo operations. Once in production, Phase 2 Project is expected to lift Sigma 's total nameplate capacity to roughly 520,000 tonnes per annum. The Company plans to begin Phase 2 earthworks in April 2024 and is targeting commissioning of the crushing circuit to begin in late 2024.

Table 4: 2 Uses of Cash Analysis for Phase 2 Construction (budget)

Capex ('000 CAD)	Phase 1 (Actual)	Phase 2 (Budget)
Industrial Site Construction	**22,498**	**22,258**
Earthworks	9,758	9,758
Infrastructure	12,740	12,500
Industrial Plant	**93,095**	**83,773**
Crushing System	27,015	28,762
DMS System	42,059	41,779
Assembly Direct and Construction Management	4,120	4,612
Civil Direct and Construction Management	8,988	7,334
Substation	10,912	1,286
Environmental	**16,130**	**14,835**
Water Recycling	4,417	4,187
Tailings Dry Stack	6,330	7,671
Sewage & Water	5,383	2,976
R&D Engineering Design	**12,393**	**6,803**
Engineering	12,393	6,803
Construction Management	**8,762**	**8,658**
Construction Management	7,736	7,421
Procurement	1,026	1,237
(=) Construction Capex (*)	**152,878**	**136,327**
Construction Addition	**8,380**	**8,844**
Acceleration Plan	8,380	8,844
(=) Total Construction Capex	**161,258**	**145,170**
Others	**7,568**	**(202)**
WC (Spare Parts)	9,534	1,389
VAT Tax Benefit	(1,966)	(1,591)
(=) Total Capex	**168,826**	**144,968**

(*) Construction Capex (construction capital expenditures)

EXPLORATION PROGRESS

The 2023 exploration campaign focused on expanding resource density within the Grota do Cirilo mineral concessions, with the Company's combined Measured, Inferred and Indicated tonnages increasing to 108.9Mt grading at 1.40% Li2O, from the previous estimate of 85.6Mt at 1.43% Li2O. Of this newly enlarged resource estimate, 87% comprises the higher confidence Measured and Indicated categories.

Specifically, the Phase 3 orebody (Nezinho do Chic ão) was extended eastwards approaching the Phase 4 ore bodies (Maxixe, Tamboril and Lavra do Meio), in so doing consolidating 4 pegmatites into a singular, larger open pit encompassing 40.1Mt of Measured, Indicated and Inferred resource. The remaining Phase 4 (Murial) deposit is to be developed within a separate pit some 330m north of the Phase 3 megapit. The Phase 4 (Murial) deposit has grown in scale to 16.1Mt of combined Measured, Indicated and Inferred resource, notably up from the prior 5.6Mt resource. This new Phase 3 and 4 resource strike extends 3.2km, from the southern end of Nezinho do Chicão to the north end of Murial. Drilling confirms that the deposits remain open to the west and east.

Table 5: Sigma Lithium Consolidated Resource Estimate

CUT-OFF GRADE (%$Li_2$0)	CATEGORY	TONNES (MT)	(%$Li_2$0)
0.3%	Measured	45.2	1.41
0.3%	Indicated	49.1	1.39
0.3%	**M & I**	**94.3**	**1.40**
0.3%	Inferred	14.6	1.37
0.3%	**M, I & I**	**108.9**	**1.40**

The exploration program led to the discovery of two additional spodumene-bearing deposits, known as Barreiro Extension and Phase 5 (Elvira). Barreiro Extension is located 550m northwest of the Phase 2 (Barreiro) deposit; the Company is exploring the potential connectivity of these resources. Phase 5 (Elvira) is a cluster of large pegmatites located 4km south of Nezinho do Chicão. The 2023 drill campaign resulted in a maiden resource estimate for Elvira of 2.1Mt of Inferred lithium at an average grade of 1.16% Li_2O. However, the Company believes, given drill intercepts to date, that the resource could grow to 20Mt over time.

The Company currently plans to drill approximately 10,000 meters in 2024, with the goal of further increasing the Company 's estimated mineral resources. The Company expects any additional mineral resource growth achieved will be utilized as feedstock material to extend its operating life, if warranted after completing and analyzing a preliminary economic assessment, pre-feasibility study and feasibility study.

CORPORATE HIGHLIGHTS

- In July 2023, Sigma began trading its BDRs on B3 (the Brazilian Stock Exchange). The unsponsored BDR was created by CVM and B3 to provide the market with an instrument that enables Brazilians to invest in foreign-listed companies within the local market by allowing third-party institutions to establish a BDR program without the mandatory direct involvement of the issuer.
- In September 2023, Sigma announced a sales and marketing relationship with Glencore for the delivery of Green Lithium. The goal of the relationship is to build a low carbon, environmentally and socially sustainable global lithium supply chain for EVs.
- In October 2023, Ana Cabral-Gardner was honored to be named the "Mining Person of the Year" award for 2022 by the Northern Miner.

ESG & SUSTAINABILITY

Sigma's mission statement and key focus has been guided by making business decisions in a manner consistent with furthering the UN SDGs and adhering to the highest level of ESG practices.

Specifically, Sigma is focused on the following three pillars: (i) sustainable development; (ii) minimizing the environmental impact of our operations; and (iii) improving the lives of those in and around the region where we operate. Further, the Company remains focused on global leadership to increase awareness of our "green battery metals" approach.

Sigma is proud to report the progress made during the year ended 2023 to advance its social and environmental programs, which have been developed to ensure the sustainable operation of the Company and development of the Jequitinhonha Valley region, including social advancement of its population, where we operate.

Social Programs Updates

Sigma's activities during 2022 and 2023 related to its social programs are summarized below:

- **Microcredit For Female Entrepreneurs Program:** In 2022, Sigma established the largest microcredit program in Brazil, which has been targeted for female entrepreneurs in the Jequitinhonha Valley region. Through this program, the Company encourages sustainable development by providing microcredit loans of $548 per person and providing mentorship programs. The Company is proud to report that as of the date of this MD&A, 2,258 female entrepreneurs have enrolled in the program, 1,892 videoconferences have been held, 4,388 interactions via mobile messaging or video conferences with their business advisors and 1,394 participants have already received the program`s incentive. This program is developed as donations to qualified recipients. This program advances the goals of UN SDGs #5 (Gender Equality), #8 (Decent Work and Economic Growth) and #10 (Reduced Inequalities).

- **Zero Drought for Small Holder Farmers Program:** In 2023, the Company announced the "Zero Drought for Small Holder Farmers" program consisting of the construction of 1,000 small rainwater capture structures in the municipality of Itinga and another 1,000 in the municipality of Araçuaí, totalizing 2,000 structures in the mid Jequitinhonha Valley region. For the year ended December 31, 2023, 700 rainwater capture basins have been built in the municipality of Itinga and 700 in the municipality of Araçuaí for a total of $767,200. These water capture basins are dug into the ground and located at strategic points to prevent soil erosion during the heavy rainfall season, store water for irrigation of small crops during the dry periods and contribute to increasing the volume of water that will feed the region's aquifers. Total investment by the Company is expected to be up to $1,095 ($548 per structure) to be spent throughout 2024.

- **Water For All Program:** To further combat the impacts of water scarcity in the Jequitinhonha Valley region, the Company built 147 water tanks (at a cost of $255 per unit) for residents located in the surrounding areas of the Greentech Plant. The drinking water tanks are refilled monthly with the support of tanker trucks and staff provided by Sigma. In March, we completed 7 months of water supply in the neighboring communities. This program advances the goals of UN SDG #6 (Clean Water and Sanitation).

- **Combating Violence Against Women Program:** The Company introduced a program, in partnership with the Justice Court of the state of Minas Gerais, targeting domestic abuse against women in the Jequitinhonha Valley region. In March 2024, Sigma participated alongside members of the Microcredit Program, in an event promoted by the Justice Court in Belo Horizonte to increase awareness of violence against women. This program advances the goals of United Nations Sustainable Development Goals ("UN SDGs") #5 (Gender Equality) and #11 (Sustainable Cities and Communities).

- **Homecoming Employment Program:** Sigma remains committed to prioritizing employing persons local to the Jequitinhonha Valley region. The Company is proud to report that it continued to make progress on this initiative, having 98% of the employees living in the region and 71% natives of the region as of March 2024. This program advances the goals of UN SDGs #8 (Decent Work and Economic Growth) and #10 (Reduced Inequalities).

- **Education Program for Mining Technicians Program:** In order to support the Homecoming Employment Program, Sigma established a partnership between the Federal University of Vales do Jequitinhonha e Mucuri (Campus Janaúba) and the Federal Institute of Education of Araçuaí in January 2022, establishing the first program to train mining technicians in the region. The educational program will be taught by ten teachers over a three-year period with a workload of approximately 1,200 hours. Sigma is proud to announce that as of the date of this MD&A, 40 persons local to the Jequitinhonha Valley region have enrolled in the program and are expected to graduate in 2024, after which the Company hopes they will join our operational team. Select courses covered in the program include: loader operation (theory and practice); operation of tractors (theory and practice); basic instrumentation and programmable logic controller operation; processing plant operation; industrial mechanical maintenance; industrial electrician; qualification in welding process; safety, health and environment; personal protection equipment; occupational risk management; safety at work (machines and equipment); control measures and preventative safety systems; silviculture (native seedling nursery); railings (barbed and smooth wire); operations and maintenance of chainsaws and log splitting; operations and maintenance of brush cutters; forestry (recovery of degraded and altered areas). This program advances the goals of UN SDGs #4 (Quality Education) and # 17 (Partnership for the Goals).

- **Zero Hunger Action Program:** The Company remained dedicated to humanitarian relief action, continuing to deliver the previously pledged 7,200 food baskets per year, being 600 per month, commitment done during 2021 at the height of the Covid-19 pandemic for the vulnerable families in the Vale do Jequitinhonha region. For 2023 and 2024, the Company continues delivering 600 food baskets per month. During 2022, the Company delivered such 7,200 food baskets. This program advances the goals of UN SDGs #1 (No Poverty), #2 (Zero Hunger) and # 17 (Partnership for the Goals).

- **Being a Child Program:** During the second quarter of 2023, the Company committed to a series of initiatives to help promote sustainable development in the communities of Poço Dantas, Ponte do Piauí and Taquaral Seco, located relatively close to the Company. In March 2024, Sigma financed the renovation and expansion of a school in the community, which benefits approximately 30 local children. In December 2023, - Sigma refurbished an outdoor sports court, which will help promote sports and community building in the area. Sigma will help finance the construction of a bridge, linking the community of Poço Dantas to Araçuaí and Itinga, which will provide better access to education and health facilities. Finally, Sigma is also implementing after-school programs in these facilities.

- **Sigma Visit Program "Open Doors":** With the aim of strengthening relationships with its stakeholders and sharing the good practices it has developed, in November 2023 Sigma began its visit program by welcoming the technical courses of the Taquaral School, in the Taquaral de Minas district of Itinga. In partnership with operations, geology and the environment, the social area conducts a structured program of visits to the company's operations. The program prioritizes neighboring communities and schools with technical training. There are two visits a month with groups of up to 30 people. This program advances the goals of UN SDGs #4 (Quality Education), #12 (Responsible Production and Consumption) and #13 (Climate Change).

Environmental Program Updates

Sigma's activities in 2023 pertaining to its environmental programs are summarized below.

- **Marketed Tailings Sales:** In 2023 the Company delivered 16,500 tonnes of its lithium Green By-Products to its first customer and 16,000 tonnes to its current customer, totalling 32,500 tonnes of this product, and continued to donate coarse gravel tailings generated from Green Lithium production to help surface local dirt roads in the Jequitinhonha Valley region. Additional shipments of Green By-Products will be market price dependent.

- **Net Zero Carbon Program:** The Company is also proud to report that it delivered on its net zero carbon program for all of its 2023 shipments of Green Lithium and Green By-Products by offsetting the remaining "hard to abate" carbon emitted during the production process both at its Phase 1 mine and Greentech Plant, achieving "quintuple zero production" (zero carbon, zero tailings dams, zero potable water use, zero hazardous chemicals, and zero carbon intensive electricity). The Company effectively lowered its carbon footprint with a series of pioneering initiatives, paving the way forward for the metals and mining sector, including: (i) dry stacking or selling By-product tailings; (ii) using zero hazardous chemicals in the DMS process at the Greentech Plant; (iii) water efficiency with 100% non-potable water used, which is then recirculated; (iv) 100% renewable energy usage at the Greentech Plant; (v) biodiesel used for its trucking fleet with plans to increase to 50% of fuel consumption by 2024; and (vi) decreased explosives load with computerized load simulation strategies. Due to the low carbon content of Sigma's production, the Company was able to achieve net zero carbon for 2023 by purchasing only 59,000 tonnes of carbon credits (which are verified through Verra Verified Carbon Standard), from Carbonext.

- **Environmental Education Program:** Over 750 people from five different communities participated in environmental education programs held by Sigma throughout 2023, resulting in increased awareness of local sustainability practices. Topics covered included water education, where participants were educated about conservation, purification and proper use. The Company promotes a strong dialogue with the communities through this program with the following objectives: (i) raising awareness of the Company's operations (including the socio-economic and environmental impacts); (ii) identifying community concerns; (iii) strengthening the relationship with the local community; and (iv) raising awareness of environmental control and monitoring programs. This program advances the goals of UN SDGs #11 (Sustainable Cities and Communities) and #15 (Life on Land).

- **Environmental Management & Supervision Plan:** In 2023, Sigma continued to implement procedures and standards related to environmental management pursuant to its Integrated Management System (the "**IMS**"). The Company completed the IMS in the fourth quarter of 2022 (in advance of initiating production at the Project), which focuses on the key pillars summarized below. This program advances the goals of UN SDGs #12 (Responsible Consumption and Production) and #15 (Life on Land).
    - **Treatment of Domestic Effluents:** A sewage treatment station is to be installed and maintained as necessary.
    - **Rainwater Drainage System and Containment of Erosion:** A drainage system was installed in the fourth quarter of 2022 as part of the Phase 1 Greentech Plant construction, which will capture rainwater and pump it back to the Phase 1 Greentech Plant to be used in the process and in the control of dust emissions. The Company also began monitoring regional erosion and the effectiveness of the drainage system and will continue to do so going forward.
    - **Controlling Atmospheric Emissions and Noise / Vibration Impacts:** The Company carries out road wetting and uses polymers to cover waste piles to ensure that the impacts of dust generation are minimized in the areas surrounding the Company. Vehicles and equipment are also routinely inspected and tuned in order to minimize pollutant gas emissions, noise and fuel consumption. Vibrations and noise are controlled and minimized by the periodic lubrication and maintenance of machines and equipment. Rubber blasting mats that absorb vibrations and control flyrock have also been installed. Sigma regularly monitors the levels of noise, ground vibration, air quality and water quality through accredited laboratories. This data is sent to regulatory agencies.
    - **Waste Management:** The Company has implemented a set of procedures and guidelines for the prevention, mitigation and correction of environmental impacts arising from the handling, storage and disposal of waste. The disposal of piles is carried out, whenever possible, in anthropic areas. This monitoring system is focused on tracking and ensuring the environmentally correct disposal of waste generated in the construction of the Greentech Plant.
    - **Tailings Recycling Plan:** The Company plans on pursuing a strategy of selling lithium bearing tailings byproducts generated from the crushing and dry screening process as markets allow. This plan will enable the Company to further reduce the environmental impact of the Company while providing another source of lithium supply.
    - **Environment Management System ("EMS"):** The Company started to apply its digital EMS using software, with the objective of managing information (environmental licenses, grants, studies), licensing project management, schedule conditions, reports, advanced dashboard, surveys, waste management, protocols, certificates and offices.
- **Planting and Vegetation Monitoring Program:** In 2023, the Company acquired 20,000 native seedlings to further advance this program. The Company is committed to helping preserve and nurture the vegetation and fauna local to the region and closely monitors the areas where it plants seedlings. This program advances the goals of UN SDGs #12 (Responsible Consumption and Production) and #15 (Life on Land).

Global Sustainability Leadership Updates

- On July 26, 2023, Sigma announced that it achieved operational net zero (carbon neutrality) for its first shipment of Green Lithium and Green By-Products by offsetting the remaining "hard to abate" carbon emitted during the production process both at its Phase 1 mine and Greentech Plant, achieving triple zero production (net zero carbon, zero tailings and zero hazardous chemicals). While the sale of tailings has been suspended given lower market prices, the Company has continued with operational net zero carbon through the course of the 2023 and year to date, 2024.
- Sigma had a leading role at the following globally relevant conferences as an ongoing case study in "impact investing in the mining business" and "green battery metals":

- Referenced as a case study at multiple panels and an active participant in the 2023 United Nations Climate Change Conference in Dubai in December 2023 ("**COP28**") (Sigma has been featured year after year since the 2019 COP25 in Madrid for the actions that have been implemented since inception). Multiple members of the senior management team hosted workshops on "Impact Investing in Mining." CEO and Co-Chairperson Ana Cabral-Gardner was featured as a keynote speaker.
    - Ana Cabral-Gardner participated in two panels in the Brazil Pavillion (Blue Zone) entitled "Energy Transition: The World Can Count on Brazil" and "How do Agribusiness and Mining Shape the Future".
    - Additionally, Ms. Cabral-Gardner made a keynote presentation on "Decarbonizing Supply Chains – Accelerating Industry Transitions by ackling Scope 1, 2 and 3 Emissions" at Investments COP (hosted by the World Climate Foundation).
    - Ms. Cabral-Gardner also participated in the "Driving Climate Action & Growth" discussion hosted by McKinsey & Co. with leading sustainability professionals across fields.
- Participant in "The Mines that Rule the World" panel at the Future Investment Initiative in Riyadh in October 2023
- Sigma was also a participant on "Combining Environmental and Social Agendas" panel at the Brazil Climate Summit at Columbia Business School in September 2023
- Participant in two panels at the Brazil-Canada Conference at the PDAC Convention in Toronto in March 2023
- Panelist and participant at the Future Minerals Forum in Riyadh in January 2023 (invited by the Kingdom of Saudi Arabia)

Corporate Governance Updates

During 2023, Sigma took steps to further strengthen both its Board and management, which are summarized below.

- On January 23, 2023, Ana Cabral-Gardner was appointed to remain as CEO and Co-Chairperson of the Board and Felipe Peres as Senior Financial Advisor to the Company.
- On June 30, 2023, Sigma held its Annual and Special Meeting of Shareholders ("**ASM**") where the shareholders of the Company approved the appointment of Bechara S. Azar, Cesar Chicayban, Lucas Melo and Alexandre Rodriques Cabral as Independent Directors of the Board as well as the reappointment of Ana Cabral-Gardner and Marcelo Paiva as Directors of the Board. The first Board of Directors' meeting following the ASM, on July 8, 2023, approved the appointment of Ana Cabral-Gardner and Marcelo Paiva as Co-Chairpersons of the Board. The previous independent Directors of the Company, including Gary Litwack, Frederico Marques and Dana M. Perlman, did not stand for reelection to the Board.
- Caio Araujo was hired on June 26, 2023 and was promoted to the role of CFO on July 28, 2023. Previously Mr. Araujo was CFO at a portfolio company of BTG. During several years, Mr. Araujo headed the finance department at CSN, one of the first Brazilian metals and mining companies to register an ADR level III in the NYSE, where he implemented the SEC reporting/SOX (Sarbanes-Oxley Act) compliance. He started his career at PriceWaterhouseCoopers.

- Brian Talbot resigned as an officer of the Company on September 30, 2023, on account of health reasons. Reinaldo Brandao, head of Mining, Keith Prentice, head of Processing, and Iran Zan, head of Geology & Regional Institutional Relations, were promoted to be the Co-General Managers, leading the operation on site.
- Matthew DeYoe joined the Company as Executive Vice President for Corporate Affairs and Strategic Development on October 26, 2023, based in the United States. Prior this, Mr. DeYoe was the leading coverage research director for lithium and chemical companies over the past four years for Bank of America and has also held positions on the buy-side at hedge funds where he specialized in chemical, lithium, and energy investments.
- The Company's internal committees are as follows:
    - **Audit Committee:** comprised of Lucas Melo (Chairperson), Cesar Chicayban and Bechara S. Azar, so as to be comprised entirely of independent directors.
    - **Corporate Governance, Nomination and Compensation Committee:** comprised of Cesar Chicayban (Chairperson), Lucas Melo and Marcelo Paiva.
    - **ESG Committee:** comprised of Alexandre Rodrigues Cabral (Chairperson), Ana Cabral-Gardner, Cesar Chicayban and Maria José Salum.
    - **Management Technical Committee:** comprised of Ana Cabral-Gardner (Co-Chairperson), Vicente Lobo (Co-Chairperson), Cesar Chicayban, Bechara S. Azar and Marcelo Paiva.

REGULATORY & LICENSING UPDATES

Regulatory Updates

Key regulatory changes that are relevant to the Company and/or the lithium industry that occurred in 2023 are highlighted below.

On June 9, 2023, the U.S. Securities and Exchange Commission (the "**SEC**") approved the listing standards proposed by the Nasdaq and the NYSE, which required all listed companies to adopt and comply with compensation recovery (or "clawback") policies for incentive-based compensation received by current and former executive officers based on financial statements that are subsequently restated, and to disclose their clawback policies in accordance with SEC rules. Listed companies have until December 1, 2023 to adopt compliant policies and Sigma had its clawback policy approved by the Board on November 30, 2023.

Licensing Updates

Sigma received an operational license ("**LO**") for the Phase 1 north pit and the Greentech Plant on March 31, 2023 and for the Phase 1 south pit on April 30, both with a unanimous vote of approval including all the non-governmental organizations involved. This follows the Company filing its request for the LO for the Phase 1 north pit and Greentech Plant on November 16, 2022 and the Phase 1 south pit on January 23, 2023. The receipt of the LO was the last licensing step required for Sigma to produce Green Lithium.

On January 31, 2024 Sigma was awarded its preliminary license, along with the installation license and an operational license ("**LP**", "**LI**" and "**LO**", respectively) to install and operate its second Greentech Plant by the State of Minas Gerais. The Company, once again, received unanimous approval by all members of the independent environmental board (COPAM), including the vote of the board members representing the NGOs. COPAM is the board responsible for voting and awarding environmental licenses in the State of Minas Gerais. The obtainment of the LP, LI and LO for its second Greentech Plant allows the Company to further expand its industrial beneficiation and processing capacity of lithium minerals to up to a total of 3.7 million tonnes per year.

Litigation and Arbitration Updates

On March 18th, 2024, the Company received an Initiation Letter of Arbitration by LG Group subsidiary, LG Energy Solution, Ltd. ("LG-ES") from the International Centre for Dispute Resolution of the American Arbitration Association. LG-ES is alleging that Sigma Lithium is in breach of certain provisions in connection with the Term-Sheet dated October 5, 2021 relating to offtake arrangements for the purchase of lithium concentrate from the Company. The Term-Sheet was subject to, amongst other things, completion of the negotiation of definitive written agreements between the parties. The Company hired Cadwalader, Wickersham & Taft LLP (CWT) and believes the claims are without merit and intends to defend its interests vigorously. Sigma's counsel (CWT) has formally attributed the probability of LG prevailing in this arbitration as remote.

In May 2023, a former secondee of the Company illegally accessed and downloaded confidential information relating to the Company from a virtual data room hosted by a third party. Such information may have been shared with another individual who was formerly employed by the Company. This event was not a cybersecurity issue. After becoming aware, the Company took steps to prevent any further unauthorized access to the data room. The Company is not aware that any of the confidential information has been shared with any additional third parties. The Company has filed a lawsuit in U.S. federal court and in New York State court against the individuals involved in the misappropriation of the information seeking a return of all of such information and compensatory and exemplary damages. Based on the information available to date, the Company believes that this was an isolated incident and believes that it has taken appropriate steps to prevent a similar occurrence in the future.

SELECTED FINANCIAL INFORMATION

Selected consolidated financial information is as follows:

Financial Position

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Financial Position (in C$000s)	**2023 Full year**	**Change 2023 vs 2022**	**2022 Full year**	**Change 2022 vs 2021**	**2021 Full year**
Cash and cash equivalents	64,403	(31,951)	96,354	(57,951)	154,305
Trade accounts receivable	29,693	29,693	—	—	—
Inventories	19,442	19,442	—	—	—
Accounts receivable from related parties	14	(4,970)	4,984	4,984	—
Advance to suppliers	7,062	5,438	1,624	1,624	—
Prepaid expenses and other assets	4,380	(6,733)	11,113	10,304	809
Recoverable VAT and other taxes	17,682	17,263	419	419	—
Total current assets	**142,676**	**28,182**	**114,494**	**(40,620)**	**155,114**
Loans and accounts receivable from related parties	13,160	13,160	—	—	—
Prepaid expenses and other assets	66	(138)	204	112	92
Deferred income tax and social contribution	2,070	2,070	—	—	—
Collateral and guarantees	15,269	15,269	—	—	—
Property, plant and equipment	239,742	81,168	158,574	125,890	32,684
Deferred exploration and evaluation expenditure	74,255	38,619	35,636	27,865	7,771
Total non-current assets	344,562	150,148	194,414	153,867	40,547
Total assets	**487,238**	**178,330**	**308,908**	**113,247**	**195,661**
Suppliers	59,826	35,519	24,307	20,753	3,554
Loans and export prepayment	28,907	28,907	—	—	—
Lease liability	2,132	1,452	680	304	376
Prepayment from customers	2,154	2,154	—	—	—
Taxes payable	13,566	10,496	3,070	3,070	—
Accounts payable	11,326	9,390	1,936	1,666	270
Founder's royalty option	—	(5,081)	5,081	5,081	—
Payroll and related charges	2,528	2,119	409	(30)	439
Other liabilities	1,934	(25)	1,959	1,953	6
Total current liabilities	**122,373**	**84,931**	**37,442**	**32,797**	**4,645**
Loans and export prepayment	141,999	64,561	77,438	77,438	—
Lease liability	3,595	606	2,989	1,044	1,945
Taxes payable	138	138	—	—	—
Labor contingencies	1,013	(373)	1,386	1,386	—
Deferred revenue	—	—	—	(4,007)	4,007
Asset retirement obligations	3,836	(2,711)	6,547	6,385	162
Total non-current liabilities	**150,581**	**62,221**	**88,360**	**82,246**	**6,114**
Share capital	386,035	109,324	276,711	51,891	224,820
Stock-based compensation reserve	58,974	(44,962)	103,936	73,055	30,881
Accumulated other comprehensive income (loss)	2,032	5,062	(3,030)	468	(3,498)
Accumulated losses	(232,757)	(38,246)	(194,511)	(127,210)	(67,301)
Total shareholders' equity	**214,284**	**31,178**	**183,106**	**(1,796)**	**184,902**
Total liabilities and shareholders' equity	**487,238**	**178,330**	**308,908**	**113,247**	**195,661**

The Company began its operations in April 2023 and, accordingly, the total assets and liabilities showed the main following changes as compared to 2022:

- outstanding balance of trade accounts receivable of $29.7 million in 2023. This outstanding balance includes the recognition of provisional pricing adjustments of $66.2 million of sales made in the second half of 2023. In 2022 the Company was in pre-operating stage;
- inventories amounted to $19.4 million. There were no inventories in 2022 since the Company was in pre-operating stage;
- an increase of $17.3 million in recoverable tax credits, mainly PIS and COFINS contributions arisen from the Company's operations which can be offset to federal taxes payable of future periods;
- an outstanding balance of $13.2 million in loans and accounts receivable from related parties due to land acquisition on behalf of the Company in 2023;
- an increase of $81.2 million in property, plant and equipment due to construction of the Phase 1 Greentech Plant and further improvements in 2023 as compared to an increase was of $125.9 million also due to construction of Phase 1 Greentech Plant in 2022;
- an increase of $38.6 million in deferred exploration and evaluation expenditures related to the Phase 2 Greentech Plant project in 2023 which compares to an increase of $27.9 million as compared to December 31, 2022, in deferred expenditures related to Phase 1 Greentech Plant;
- an increase of $35.5 million in suppliers in 2023 which compares to an increase of $20.7 million in 2022 due to the beginning of the Company's operations as from April 2023, demanding the engagement of new suppliers to run the mining operations and maintenance of the Phase 1 Greentech Plant;
- an increase of $28.9 million in 2023 in loans and export prepayment in current liabilities due to export prepayment trade finance of $13.3 million and interest accrued on the long-term export prepayment which was paid in January 2024;
- an increase of $10.7 million in taxes payable due to the beginning of the Company 's operations. In 2022 the increase was of $3.1 million;
- An increase of $9.4 million in accounts payable to general and corporate service providers such as consultants, audit and legal counselors. In 2022 the increase was of $1.7 million;
- a decrease of $5.1 million in founder's royalty option in 2023 due to the cash settlement of an option to close the obligation of paying perpetual royalties to the founder recognized in 2022; and
- an increase of $64.6 million in 2023 in loans and export prepayment in non-current liabilities due to remaining tranches of export prepayment of $54.3 million repayable by 2026 and BDMG loans of $12.6 million repayable in installments until 2030. In 2022 the balance of $77.4 million consisted of one tranche of the export prepayment.

Results of Operations

Three Months Ended December 31, 2023 compared to Three Months Ended December 31, 2022

The following table summarizes the items that resulted in the net loss for three months ended December 31, 2023 compared to the three months ended December 31, 2022:

Statement of Loss (in C$000s)	**Three months ended December 31,**		**Change**
	2023	**2022**	**2023 vs. 2022**
Sales Revenue	51,306	—	51,306
Cost of goods sold	(45,239)	—	(45,239)
Sales expenses and commissions	(2,154)	—	(2,154)
General and administrative expenses	(13,027)	(8,264)	(4,763)
Other operating income (expenses), net	(179)	—	(179)
Stock-based compensation	(364)	(65,588)	65,224
Financial income (expenses), net	(3,992)	722	(4,714)
Income Tax and Social Contribution	432	—	432
Net loss for the period	(13,217)	(73,130)	59,913

The lower net loss for the three-month period ended December 31, 2023 is primarily attributable to:

Sales revenue

The Company's shipments in the three-month period ended December 31, 2023, totaled 64.7 kt of Green Lithium, with total net revenues of $51.3 million, which included the impact related to the recognition of provisional pricing adjustments of $66.2 million from changing market values and the implications to the final sales price expected for the shipments of 2023. The final value at settlement may differ from initial book value, and changes in said value are monitored in the futures market and any provisional pricing adjustments are recognized as revenue in the statement of loss.

Cost of Goods Sold

The following table summarizes the Company's cost of goods sold for the three-month period ended December 31,2023.

Cost of Goods Sold (in C$ 000s)	**Three month ended December 31, 2023**
Mining costs	
Salaries and benefits	(814)
Mining service providers	(9,764)
Blasting and fuels	(4,321)
Equipment rental	(184)
Depletion	(1,347)
Other	(208)
	(16,638)
Processing costs	
Salaries and benefits	(4,641)
Fuels	(2,297)
Consumables	(7,480)
Equipment rental	(752)
Depreciation	(1,757)
Taxes and fees	(64)
Power supply	(659)
Plant services	(2,278)
Other	(1,539)
	(21,467)
Royalties	
Royalties	(1,442)
Distribution cost	
Freight	(3,931)
Insurance	(133)
Warehouse	(455)
Port operations	(1,173)
Total distribution cost	**(5,692)**
Total cost of goods sold	**(45,239)**

Cost of Goods Sold

The Company began operations in the second quarter of 2023. Total costs of goods sold of $45.2 million were incurred to run the mining operations ($16.6 million) as well the processing activities in mineral crushing and in Dense Media Separation ("DMS") ($21.5 million) and distribution costs ($5.7 million). The Company 's sales are also subject to royalties payments, which amounted to $1.4 million in 2023.

Distribution costs of $5.7 million relate to the transportation of the Green Lithium High Grade Concentrate and Green By-products from the plant to the port of Vitória, as well as warehousing, transport insurance and fees to the port operator.

Sales Expenses and Commissions

The Company's total sales expenses and commissions in the three-month period ended December 31, 2023 amounted to $2.2 million. In 2022 the Company was in pre-operating stage and, accordingly, no sales expenses and commissions were incurred.

General and Administrative Expenses

General and administrative expenses (in C$ 000s)	Three month ended December 31, 2023	2022	Change 2023 vs. 2022
Salaries and benefits (Board, CEO and CFO)	(385)	(258)	(127)
Salaries and benefits (Staff)	(2,345)	(1,743)	(602)
Legal	(3,645)	(709)	(2,936)
Travel	(939)	(666)	(273)
Accounting services	(288)	(209)	(79)
Audit services	(577)	(634)	57
Insurance (D&O)	(1,187)	(467)	(720)
Marketing, business development and investor relations	(548)	(534)	(14)
Taxes and fees	(106)	(1,115)	1,009
Depreciation	(55)	(29)	(26)
Other	(2,952)	(1,900)	1,052
	(13,027)	(8,264)	(4,763)

The general and administrative expenses of $13.0 million increased by $4.8 million in the three-month period ended December 31, 2023 as compared to $8.3 million in the same period of 2022. The main factors for this increase are legal expenses that contributed with an increase of $2.9 million in the three-month period ended December 31, 2023 as compared to the same period of 2022, due to a number of one-off expenses related to the due diligence for the strategic review of the Company and the defense in the litigation related to the unauthorized access and download of information from the virtual data room, as well as other several expenses, such as travel and appropriation of insurance D&O as shown in the table above.

Other Operating Income (Expenses), Net

Other operating income (expenses), net *(in C$ 000s)*	Three month ended December 31, 2023	2022	Change 2023 vs. 2022
Salaries and benefits (Staff)	(575)		(575)
Reversal of accrual liabilities	1,371		1,371
Social programs	(893)	—	(893)
Others	(82)	—	(82)
Other operating income (expenses) , net	(179)	—	(179)

The Company recognized certain labor contingencies. In the three-month period ended December 31, 2023, there was a reversal of the provision amounting to $1.4 million due to settlements negotiated at lower amounts.

Social actions of $0.9 million were incurred in the three-month period ended December 31, 2023 compared to no accruals in the three-month period ended December 31, 2022.

Stock-based compensation

The decrease of $65.2 million in stock-based compensation to $0.4 million for the three-month period ended December 31, 2023 from $65.6 million for the three-month period ended December 31, 2022 is mainly due to the reversal of the expenses associated with the RSU's of a former executive director due to his resignation in the fourth quarter of 2023.

Financial income (expenses), net

Refer to the table below for a summary of the Company 's net financial income and expenses for the three-month periods presented:

Financial income (expenses), net	**Three month ended December 31,**		**Change**
(in C$000s)	**2023**	**2022**	**2023 vs. 2022**
Financial Income	249	463	(214)
Interest on loans and export prepayment agreement	(5,117)	(329)	(4,788)
Interest and late payment penalties on taxes	(1,945)	—	(1,945)
Interest expenses on leases	(130)	—	(130)
Taxes on foreign currency transactions	(769)	(82)	(687)
Interest on asset retirement obligation	(423)	(4)	(419)
Other expenses	212	89	123
Foreign exchange variation on net assets	3,931	585	3,346
Financial income (expenses), net	**(3,992)**	**722**	**(4,714)**

Financial income and expenses for the three-month period ended December 31, 2023 amounted to net financial expenses of $4.0 million as compared to net financial income of $0.7 million for the three-month period ended December 31, 2022. The main factors for the change are:

- Interest on loans and export prepayment increased $4.8 million, to $5.1 million in 2023 from $0.3 million in 2022 mainly due to the recognition of interest on the long-term export prepayment of $100.0 million, an agreement entered into in mid-December 2022.
- Interest and late payment penalties on taxes of $1.9 million for the three-month period ended December 31, 2023 compared to none in the same period of 2022.
- Foreign exchange variation of $3.9 million for the three-month period ended December 31, 2023 compared to $0.5 million for the three-month period ended December 31, 2022 as a result of the appreciation of the U.S. dollar against the Brazilian Real functional currency on cash held in U.S. dollars during the three-month period.

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

The following table summarizes the items that resulted in the net loss for the year ended December 31, 2023 compared to the year ended December 31, 2022:

Statement of Loss	**Year ended December 31,**		**Change**
(in C$000s)	**2023**	**2022**	**2023 vs. 2022**
Sales Revenue	181,231	—	181,231
Cost of goods sold	(92,335)	—	(92,335)
Sales expenses and commissions	(2,485)	—	(2,485)
General and administrative expenses	(54,398)	(15,962)	(38,436)
Other operating income (expenses), net	(6,657)	(1,692)	(4,965)
Settlement of founder's royalty option	—	(4,892)	4,892
Stock-based compensation	(46,990)	(111,580)	64,590
Financial income (expenses), net	(9,893)	6,916	(16,809)
Income tax and social contribution	(6,719)	—	(6,719)
Loss for the year	(38,246)	(127,210)	88,964

The decrease in net loss during the year ended December 31, 2023, as compared to December 31, 2022, is primarily attributable to:

Sales revenue

The Company's exports in 2023 were 102.5 kt of Green Lithium and 32.5 kt of Green By-Products, with total net revenues of $181.2 million, which included the impact of provisional pricing adjustments of $66.2 million related to changing market values and the implications to the final sales price expected for the shipments of 2023. The final value at settlement may differ from initial book value, and changes in said value are monitored in the futures market and any provisional pricing adjustments are recognized as revenue in the statement of loss.

Cost of Goods Sold

	Year ended December 31,
Mining costs	
Salaries and benefits	(1,074)
Mining service providers	(18,786)
Blasting and fuels	(8,924)
Equipment rental	(752)
Depletion	(3,084)
Other	(202)
	(32,822)
Processing costs	
Salaries and benefits	(6,423)
Fuels	(4,072)
Consumables	(15,048)
Equipment rental	(3,067)
Depreciation	(4,287)
Taxes and fees	(358)
Power supply	(765)
Plant services	(2,278)
Other	(2,452)
	(38,750)
Royalties	
Royalties	(5,168)
Distribution cost	
Freight	(12,744)
Insurance	(133)
Warehouse	(455)
Port operations	(2,263)
Total distribution cost	**(15,595)**
Total cost of goods sold	**(92,335)**

Cost of Goods Sold

The Company began operations in the second quarter of 2023. The total costs of goods sold were $92.3 million and were incurred to run the mining operations ($32.8 million) as well the processing activities in mineral crushing and in Dense Media Separation ("DMS") ($38.7 million) and distribution costs ($15.6 million). The Company 's sales are also subject to the payment of royalties, which amounted to $5.2 million in 2023.

Distribution costs of $15.6 million relate to the transportation of the Green Lithium High Grade Concentrate and Green By-products from the plant to the port of Vitória, as well as warehousing, transport insurance and fees to the port operator.

The Company was in pre-operating stage in the year ended December 31, 2022 and, accordingly, there were no sales nor cost of goods sold in that year.

Sales Expenses and Commissions

The Company's total sales expenses and commissions in 2023 amounted to $2.5 million. In 2022 the Company was in pre-operating stage and, accordingly, no sales expenses and commissions were incurred.

General and Administrative Expenses

General and administrative expenses	**Year Ended December 31,**		**Change**
(in C$000s)	**2023**	**2022**	**2023 vs. 2022**
Salaries and benefits (Board, CEO and CFO)	(1,122)	(329)	(793)
Salaries and benefits (Staff)	(13,313)	(2,420)	(10,893)
Legal	(9,624)	(2,135)	(7,489)
Travel	(3,958)	(1,366)	(2,592)
Accounting services	(1,303)	(449)	(854)
Audit services	(2,244)	(864)	(1,380)
Insurance (D&O)	(4,761)	(1,518)	(3,243)
Marketing, business development and investor relations	(3,454)	(2,504)	(950)
Taxes and fees	(1,886)	(1,115)	(771)
Advisory services	(5,377)	—	(5,377)
Demurrage/Transport	(1,649)	—	(1,649)
Insurance	(1,025)	—	(1,025)
Depreciation	(176)	(102)	(74)
Other	(4,506)	(3,160)	(1,346)
	(54,398)	(15,962)	(38,436)

As the Company began its operations in April 2023, the general and administrative expenses of $54.4 million increased by $38.4 million as compared to $16.0 million in 2022. The main factors for this increase are salaries and benefits, which contributed with $11.0 million of increase due to the beginning of operations when the Company hired many new employees in several areas, legal expenses contributed with $7.5 million due to legal fees incurred in the strategic review process and litigations, insurance expenses in 2023 was greater in the amount of $4.3 million as compared to 2022 as well as other several expenses, such as travel, demurrage, costs related to public companies.

Other Operating Income (Expenses), Net

Other operating expenses	Year Ended December 31,		Change
(in C$000s)	2023	2022	2023 vs. 2022
Income			
Leases (contract termination)	106	—	106
Others	113	—	113
Expenses			
Salaries and benefits (ESG)	(2,266)	(644)	(1,622)
Reversal of provisions	768	—	768
Social actions	(5,061)	—	(5,061)
Others	(317)	(1,048)	731
Other operating expenses	(6,657)	(1,692)	(4,965)

Other operating income (expenses), net increased by $5.0 million, to $6.7 million in the year ended December 31, 2023, from $1.7 million in the year ended December 31, 2022 mainly due to the following factors below:

(a) salaries and benefits of ESG-related personnel increased by $1.6 million, to $2.2 million in the year ended December 31, 2023 from $0.6 million in the year ended December 31, 2022 due to the increase in the ESG initiatives of the Company;

(b) additionally, in 2023 the Company reversed provisions in the amount of $0.8 million due to settlements negotiated at lower amounts.

(c) Social programs of $5.1 million were incurred in 2023 compared to none in 2022.

Stock-based compensation

The decrease of $64.7 million in stock-based compensation for the year ended 2023 of $46.9 million (compared to $111.6 million in the year ended 2022) is mainly due to recognition of a provision for RSU's associated to new beneficiaries and the fair market value of RSUs vested during the year , which was more than offset by the reversal of the losses associated with the RSU's of a former executive director.

Financial income (expenses), net

Refer to the table below for a summary of the Company 's net financial income and expenses for the years presented:

Financial income (expenses), net	Year Ended December 31,		Change
(in C$000s)	2023	2022	2023 vs. 2022
Financial Income	3,360	463	2,897
Interest on loans and export prepayment agreement	(15,245)	(329)	(14,916)
Interest and late payment penalties on taxes	(1,945)	—	(1,945)
Interest expenses on leases	(456)	—	(456)
Taxes on foreign currency transactions	(2,472)	(82)	(2,390)
Reversal of present value adjustment on asset retirement obligation	(731)	(15)	(716)
Other expenses	(696)	—	(696)
Foreign exchange variation on net assets	8,292	6,879	1,413
Financial income (expenses), net	**(9,893)**	**6,916**	**(16,809)**

Financial income and expenses for the year ended December 31, 2023 amounted to net financial expenses of $9.9 million as compared to net financial income of $6.9 million for the year ended December 31, 2022. The main factors for the change are:

- Due to the beginning of operations in 2023, the Company invested cash surplus during the year and recognized an income of $3.4 million compared to $0.5 million in 2022.
- Interest on loans and export prepayment increased $14.9 million, to $15.2 million in 2023 from $0.3 million in 2022 mainly due to the recognition of interest on the long-term export prepayment of $100.0 million, an agreement entered into in mid-December 2022.
- Interest and late payment penalties on taxes of $1.9 million in 2023 compared to none in 2022.
- Foreign exchange variation of $8.3 million in 2023 compared to $6.9 million in 2022 as a result of the appreciation of the U.S. dollar against the Brazilian Real functional currency on cash held in U.S. dollars during the year.

Non-GAAP Measure

a) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA")

The adjusted EBITDA is meaningful for the stakeholders, since the Company can demonstrate the effective EBITDA, considering the relevant impact about stock-based compensation in the profit & loss. Since this item is a non-cash effect the reconciliation below is necessary and relevant for understanding process of the Company´s EBITDA measurement.

Adjusted EBITDA" is a non-GAAP measure, which is calculated using net loss for the year/period and excluding the amounts charged as (i) depreciation and depletion, (ii) interest on loans and export prepayment agreement, and (iii) income taxes as shown in the reconciliation below:

EBITDA - Reconciliation (in C$000s)	***Three Months Ended December 31*** ***CAD***	***Twelve Months Ended December 31,*** ***CAD***
Net loss for the year	(13,217)	(38,246)
(+) Depreciation and depletion	3,159	7,547
(+) Interest on loans and export prepayment agreement, taxes and leases	5,247	15,921
(+) Income taxes	(432)	6,719
EBITDA	**(5,243)**	**(8,059)**
(+) Stock-based compensation	364	46,990
Adjusted EBITDA	**(4,879)**	**38,931**
Adjusted EBITDA (%)*	**(9.5)%**	**21.5 %**

** For the adjusted EBITDA (%) the Company consider the amount of the adjusted EBITDA over the sales revenue, which represent $51,306 for the three months ended December 31, 2023 and $181,231 for the twelve months ended December 31, 2023*

b) General and administrative expenses split between ongoing and one-off and certain other expenses

Additionally, as 2023 was the first year of operations, the Company 's management separated the general and administrative expenses per nature in ongoing and one-off and certain other expenses since the Company incurred in a number of those one-off and certain other expenses that are not expected to be incurred continuously. The table below shows the separate information of the ongoing expenses incurred in the normal course of business from those expenses incurred in particular events. The particular events occurred in 2023 were the inauguration of the industrial plant, a period when the Company incurred in an atypical number of travel expenses (Such as airplane tickets, meals and accommodations). Other particular events which demanded high level of legal expenses not compatible with the size of our operations were related to the due diligence for the potential acquisition of the Company and the litigation for the theft event occurred in the virtual data room established for that potential acquisition.

General and administrative expenses	Three Months Ended December 31, 2023			Year Ended December 31, 2023		
(in C$000s)	Total	One-off and certain other expenses	Ongoing	Total	One-off and certain other expenses	Ongoing
Salaries and benefits (Board, CEO and CFO)	(385)	—	(385)	(1,122)	—	(1,122)
Salaries and benefits (Staff)	(2,345)	(500)	(1,845)	(13,313)	(6,090)	(7,223)
Legal	(3,645)	(3,412)	(233)	(9,624)	(9,270)	(354)
Travel	(939)	(409)	(530)	(3,958)	(1,849)	(2,109)
Accounting services	(288)	(230)	(58)	(1,303)	(1,053)	(250)
Audit services	(577)	—	(577)	(2,244)	(1,334)	(910)
Insurance (D&O)	(1,187)	—	(1,187)	(4,761)	—	(4,761)
Marketing, business development and investor relations	(548)	(115)	(433)	(5,631)	(2,971)	(2,660)
Taxes and fees	(106)	(94)	(12)	(1,886)	(1,806)	(80)
Depreciation and depletion	(55)	—	(55)	(176)	—	(176)
Other	(2,952)	(3,068)	116	(10,380)	(8,724)	(1,656)
General and administrative expenses	(13,027)	(7,828)	(5,199)	(54,398)	(33,097)	(21,301)

Liquidity and Capital Resources

Cash Flow Highlights	Three Months Ended Dec 31,		Year Ended Dec 31,	
(in C$000s)	2023	2022	2023	2022
Cash used in Operating Activities	49,527	10,219	(30,792)	(5,443)
Cash used in Investing Activities	(20,299)	(72,852)	(82,217)	(132,529)
Cash provided by Financing Activities	(3,133)	77,678	77,825	79,787
Effect of Foreign Exchange on Cash	166	(3,877)	3,233	234
Change in Cash and Cash Equivalents	26,261	11,168	(31,951)	(57,951)
Cash & Cash Equivalents – Beginning of Period	38,142	85,186	96,354	154,305
Cash & Cash Equivalents – End of Period	64,403	96,354	64,403	96,354

Liquidity Outlook

Sigma's use of cash is currently, and is expected to continue to be, focused on funding ongoing capital needs for operating the Greentech Plant, developing the Company's growth opportunities (including Phase 2) and for general corporate expenditures. The Company continuously monitors its cash outflows and seeks opportunities to minimize all costs, to the extent possible, as well as its general and administrative expenses.

As of December 31, 2023, the Company had $64.3 million in cash and cash equivalents, which compares to the $96.4 million at December 31, 2022. The cash reduction of $31.9 million is mainly related to cash used in operating activities of $30.8 million and cash used in investing activities of $82.2 million (mostly related to purchases of property, plant and equipment in the amount of $45.8 million) partially offset by cash provided by financing activities of $77.8 million (mostly related to proceeds from loans amounting to$92.6 million) and the effect of foreign exchange on cash of $3.2 million.

As of September 30, 2023, the Company had $38.1 million in cash and cash equivalents and as of December 31, 2023 had $64.4 million. For the three-month period ended December 31, 2023, the cash and cash equivalents increased by $26.3 million due to sales recognized during the quarter and to an additional tranche drawn from BDMG in the amount of $8.6 million. The same period of 2022, cash and cash equivalents increased $11.2 million, from $85.2 million as of September 30, 2022 to $96.4 million as of December 31, 2022 due to the export prepayment agreement entered into by the Company in mid-December 2022, when $78.4 million was released to the Company, which more than offset the payments made to meet its obligations.

Additionally, as of December 31, 2023 the Company had total debt outstanding (loans and export prepayment) of $170.9 million comprised of the long-term export prepayment agreement of $144.8 million entered into on December 10, 2022 (fully drawn as of the date of this MD&A), $13.3 million drawn from BDMG during 2023 and the export prepayment trade finance of $12.8 million entered into on October 31, 2023, compared to $77.4 million as of December 31, 2022, the first tranche of the long-term export prepayment mentioned above.

As of September 30, 2023, the Company had total debt outstanding (loans and export prepayment) of $150.4 million comprised of the long-term export prepayment agreement of $132.7 million, $4.4 million drawn from BDMG in January 2023 and the export prepayment trade finance of $13.3 million entered into in August 2023, and as of December 31, 2023 had $170.9 million. For the three-month period ended December 31, 2023, total debt outstanding (loans and export prepayments) increased by $20.5 million primarily due to the additional tranche drawn from BDMG in the amount of $8.6 million mentioned above and interest accrual on the long-term export prepayment of $15.3 million. The same period of 2022, total debt outstanding (loans and export prepayment) increased by $77.4 million due to the long-term export prepayment agreement entered into by the Company in mid-December 2022. As of September 30, 2022, the Company had no debt outstanding.

In the first quarter of 2024, the Company entered into export prepayment agreements trade finance with financial institutions in the total amount of $120,015, equivalents to US$89,000, with maturities between 90 and 180 days with annual interest rates ranging from 5.9% to 12.0%.

Operating Activities

Cash used in operating activities during the year ended December 31, 2023 was $30.8 million, which compares to $5.4 million during the year ended December 31, 2022. The main changes in the cash used in operating activities are as follows:

- A decrease of $89 million in net loss for the year, to $38.2 million for the year ended December 31, 2023 from $127.2 million for the year ended December 31, 2022 due to the beginning of operations and sales revenues recognized in 2023. In 2022, the Company was in pre-operating stage;
- An increase of $17.4 million in interest on loans and leases due to new debts entered into during 2023, as well as the interest accruals on the long-term export prepayment entered into in mid-December 2022, when there was less than one month of interest and in 2023 there were twelve months of interest;
- An increase of $7.4 million in depreciation and depletion since the industrial plant began operations as from April 2023 as compared to depreciation of administrative items in 2022;
- The recognition of $6.7 million of income tax and social contribution expenses in 2023 as compared to none in 2022;
- A decrease of $64.6 million in expenses related to stock-based compensation, to $47.0 million in 2023 from $111.6 million in 2022;
- A decrease of $5.4 million in net foreign exchange gain to $12.3 million in 2023 from a gain of $6.9 million in 2022;
- An increase in trade accounts receivable of $30.4 million in 2023 compared to none in 2022 since the Company began its operations during 2023. In 2022 the Company was in pre-operating stage;
- An increase in inventories amounting to $18.6 million compared to none in 2022 since the Company began its operations during 2023. In 2022 the Company was in pre-operating stage;
- An increase in advances to suppliers amounting to $5.1 million compared to none in 2022 since the Company began its operations during 2023. In 2022 the Company was in pre-operating stage;

- An increase of $17.3 million in recoverable tax credits, mainly PIS and COFINS contributions arisen from the Company's operations which can be offset to federal taxes payable of future periods. In 2022 there was no recoverable taxes recognized;
- A decrease in prepaid expenses and other assets of $1.6 million in 2023 as compared to 2022 due to the collateral recognized in 2023 of $6.8 million compared to $9.6 million in 2022, partially offset by an increase in certain other assets;
- A decrease in accounts receivable from related parties of $5.9 million due to reimburse of geology expenditures;
- An increase of $14.5 million in suppliers in 2023 which compares to an increase of $24.7 million in 2022 due to the construction of the Phase 1 Greentech Plant initiated in 2022, which demanded the engagement of suppliers of equipment and of contractors, concluded in March 2023;
- An increase of $3.9 million in taxes payable due to the beginning of the Company 's operations. In 2022 the Company was in pre-operating stage;
- An increase of $1.7 million in prepayment from customer due to the excess of amount the customer paid in advance. In 2022 the Company was in pre-operating stage;
- A decrease of $5.4 million in founder's royalty in 2023 due to cash settlement to close the obligation of paying perpetual royalties to the founder recognized in 2022; and
- A decrease of $2.3 million in 2023 related to income taxes paid. In 2022 the Company was in pre-operating stage and had no income taxes payable.

For the three-month period ended December 31, 2023 cash provided by operating activities amounted to $49.5 million compared to $10.2 million for the same period of 2022, an increase of $39.3 million primarily due to the beginning of operations during 2023.

Investing Activities

Cash used in investing activities during the year ended December 31, 2023 was $82.2 million, which compares to $132.5 million during the year ended December 31, 2022.

The significant components of investment activities are associated with the construction of the Greentech Plant and its further improvements as well as deferred exploration and evaluation expenditures of the Phase 2.

For the three-month period ended December 31, 2023, cash used in investing activities of $20.3 million compared to cash used of $72.9 million in the same period of 2022, a decrease of $52.6 million primarily due to the construction of the Phase 1 Greentech Plant initiated in 2022, whilst the expenditures with the plant in 2023 was limited to certain improvements at amounts lower than those invested in the construction.

Financing Activities

Cash provided by financing activities during the year ended December 31, 2023 was $77.8 million, which compares to $79.8 million during the year ended December 31, 2022.

The sources of cash during the year ended December 31, 2023 was primarily driven by $54.4 million of proceeds drawn in February and March 2023 under the long-term export prepayment agreement (now fully drawn), $12.4 million of proceeds from BDMG drawn in January and December 2023 and export prepayment trade finance in the amount of $25.4 million. Additionally, the Company repaid $13.3 million of one export prepayment trade finance in October 2023.

For the three-month period ended December 31, 2023, cash used in financing activities of $3.1 million compared to cash provided of $77.7 million in the same period of 2022, a decrease of $80.8 million primarily due to the long-term export prepayment agreement entered into late December 2022 compared to repayment of $13.3 million of our short-term export prepayment trade finance partially offset by the additional tranche drawn from BDMG in late December 2023 in the amount of $8.6 million.

CURRENT SHARE DATA

Issued and outstanding securities of the Company as at the date of this MD&A were as follows:

Common Shares Issued and Outstanding	110,542,296
RSUs (*)	870,835
Stock Options (*)	100,000
Fully Diluted Number of Common Shares	111,513,131

(*) RSUs and stock options in the table above are antidilutive at the date of this MD&A since the Company operates in loss.

There are RSUs for 0.90 million Common Shares outstanding. There are stock options exercisable for 100,000 Common Shares outstanding, which have an average exercise price of $29.84 and expire in April 2027.

DISCLOSURE, CONTROLS & PROCEDURES

The CEO and CFO of the Company are responsible for establishing and maintaining disclosure controls and procedures ("**DC&P**") for the Company as defined under National Instrument 52-109 (NI 52-109) issued by the Canadian Securities Administrators and in Rule 13a-15d - 15(e) under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The DC&P is to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. The CEO and CFO of the Company concluded that, as a result of the material weaknesses in internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of December 31, 2023.

In light of the material weaknesses described below, management performed additional analysis and other procedures to ensure that our consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Accordingly, management believes that the consolidated financial statements included in this Annual Report on Form 40-F fairly present, in all material respects, our financial position, results of operations, and cash flows as of and for the periods presented, in accordance with IFRS.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in NI 52-109 and Rule 13a-, 15d - 15(f) of the Exchange Act. Under the supervision and with the participation of our Management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based upon criteria established in *Internal Control – Integrated Framework* (2013) by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, our Management concluded that our internal control over financial reporting was not effective as of December 31, 2023 due to the material weaknesses described below.

A material weakness is a deficiency, or a combination of deficiencies, financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management has identified the following material weaknesses:

- An ineffective control environment resulting from the failure to disseminate a Portuguese version of the Code of Ethics and relevant training thereon, an insufficient number of trained personnel with the appropriate skills and knowledge, including an appropriate assigned level of authority, responsibility and accountability related to the design, implementation and operating effectiveness of financial reporting, as well as insufficient board oversight over the development and performance of internal controls;

- An ineffective risk assessment process necessary to identify all relevant risks of material misstatement, including fraud risks, and to evaluate changes that could impact internal control over financial reporting, as well as the implications of relevant risks on the achievement of objectives, including financial reporting objectives;

- An ineffective internal and external information and communication process to ensure the relevance, timeliness and quality of information used in control activities . This includes the communication of the Company 's whistleblower policy and the preparation and selection of appropriate methods for communicating external information;

- An ineffective monitoring process to ensure controls are periodically evaluated, results of testing are communicated to senior management and the board of directors and the control deficiencies are tracked for remediation on a timely basis; and

- Ineffective control activities due to the (i) failure to deploy general control activities over information technology (ii) failure to document policies and procedures and (iii) failure to document control activities to mitigate risks.

The control deficiencies resulted in immaterial misstatements to the consolidated financial statements. Furthermore, the control deficiencies described above created a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis. Therefore we concluded that the deficiencies represent material weaknesses in the Company's internal control over financial reporting and our internal control over financial reporting was not effective as of December 31, 2023.

The Company engaged KPMG Auditores Independentes Ltda. ("KPMG Ltda.") to perform an "integrated audit" which encompassed an opinion on the Company's annual consolidated financial statements as of and for the year ended December 31, 2023, as well as an opinion on the effectiveness of the Company's ICFR as of December 31, 2023. KPMG Ltda., the Company's independent registered public accounting firm, audited the Company's consolidated financial statements and issued an adverse opinion on the effectiveness of ICFR. KPMG's attestation report on the Company 's ICFR was incorporated by reference into the Company's annual report on Form 40-F under the Exchange Act for the year ended December 31, 2023.

MANAGEMENT'S REMEDIATION PLAN

The Company continues its efforts to address the material weaknesses mentioned above. These remediation efforts are ongoing, and the Company intends to sustain its initiatives aimed at enhancing the internal control environment, a task that will demand significant efforts throughout 2024 and possibly into 2025.

Throughout 2023 and to the present, we conducted a comprehensive review of our internal control procedures and have been actively pursuing steps to address and remediate the identified material weaknesses. The Company:

(i) engaged external consultants to assist Management in assessing its internal control over financial reporting, mapping all existing control deficiencies, defining remediation plans and formed a team responsible for redesigning processes and developing process automation, including those related to accounting and reporting;

(ii) strengthened the accounting and reporting team by hiring more experienced people, which resulted in replacement of key-personnel as well as the reducing reliance on third parties engaged in the accounting, tax and reporting activities;

(iii) implemented new procedures to enhance accuracy in the interim and annual filings. This includes developing a detailed financial statement closing schedule to oversee preparation, completion, and quality control. Additionally, we introduced the Disclosure and Content Guide, a comprehensive checklist ensuring compliance with all financial reporting requirements. Although is not documented as a control, senior management now conducts additional layers of review to ensure the accuracy of the filings.

(iv) took steps to improve our information technology (IT) controls and infrastructure. These efforts include addressing IT general control (ITGC) activities, establishing relevant policies and procedures, and engaging external SAP developers to implement IT system improvements and address gaps in the IT structure. Additionally, measures have been implemented in 2024 involved collaborating with SAP developers to map existing gaps, enhance ITGC, and establish policies and procedures for the IT organization structure. This included the development of a Data Security Policy and an Access Control Policy.

(v) approved a new version of the Company 's Code of Ethics in Portuguese on March 18, 2024. This updated Code of Ethics will be disseminated to all employees and accompanied by training sessions throughout 2024. Sigma is committed to operating with integrity and is strengthening its Code of Ethics across all levels and jurisdictions, as part of efforts to foster a culture of controls and compliance.

(vi) approved a supplier's code of ethics on March 18, 2024, establishing rules for the relationship of the suppliers with our employers, authorities, and communities.

Further steps to remediate the material weaknesses described above that the Company is pursuing including the following:

a. **Control environment:** We are committed to continuously identifying, training, and retaining personnel with the necessary skills and experience in designing, operating, and documenting internal controls over financial reporting. Additionally, we plan to expand our finance staff to enhance the segregation of duties and responsibilities;

b. **Risk assessment:** The Company is redesigning all financial reporting that will enhance risk assessment process, document the process understanding, creating flowchart, identifying process risk point and control to address it;

c. **Information and communication:** The Company is redesigning its whistleblower channel to make it user friendly and stimulate the usage thereof as a tool for important external and internal communication. We will continue enhancing data reliability and internal controls, harmonizing our IT controls, and addressing current system limitations.

d. **Monitoring activities:** The financial and accounting team will work with external specialists to bring in expertise and expedite the remediation of control deficiencies at the process level during 2024 with a focus on the controls matrix for process underlying all significant accounts and disclosures. The external specialists with expertise in internal controls implementation are assisting with the development and documentation of the following workstreams related to the internal controls over financial reporting needed to be in compliance with SOX ("Sarbanes Oxley"): (i) prepare and review the risks and controls matrix; (ii) establish a Project Management Office to manage the control deficiencies and remediation; (iii) develop and document structured policies and procedures; (iv) test the design, implementation and operating effectiveness of the internal controls after remediation to support the CEO and CFO certifications; and (v) support training content development and conducting training sessions across the Company.

e. **Control activities:** We will continue to refine our control activities to mitigate risks and ensure the achievement of objectives, designing and implementing controls activities and IT general controls over all the processes in order to address the process risk point.

We are confident that our remediation plan will adequately address the identified material weaknesses and bolster our internal control over financial reporting. Management will continue to review and make necessary changes to the overall design and operation of the Company's internal control environment, as well as the policies and procedures to improve the overall effectiveness of internal control over financial reporting. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management concludes, through testing, that these controls are operating effectively. The Company is taking steps toward remediation during the 2024 fiscal year, but still cannot ensure our internal controls environment will be free of material weaknesses by the end of fiscal year 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING AND REMEDIATION

As described above under "Remediation Efforts to Address the Material Weaknesses", we are taking actions to remediate the material weaknesses in our internal control over financial reporting. There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

RELATED PARTY TRANSACTIONS

The Company's related parties include:

Related Party	Nature of relationship
A10 Group	A10 Group is composed of: (a) A10 Investimentos Ltda.; (b) A10 Finanças e Capital Ltda. ("A10 Finanças"); (c) A10 Partners Participações Ltda.; (d) A10 Serviços Especializados de Avaliação de Empresas Ltda. ("A10 Advisory"); and (e) A10 Serviços de Análise de Empresas e Administrativos Ltda.
A10 Investimentos Ltda.	A10 Investimentos Ltda. is an asset management firm controlled by Marcelo Paiva, a Director of the Company, and is the investment manager of the A10 Fundo de Investimento de Acoes – Investimento no Exterior ("A10 Fund"), which holds a controlling position in the Company.
A10 Finanças	A10 Finanças is primarily a holding company. The firm is controlled by Marcelo Paiva, a Director of the Company.
A10 Partners Participações Ltda.	A10 Partners Participações Ltda is a holding company. The firm is controlled by Marcelo Paiva, a Director of the Company, and had no transactions with the Company before or during the year 2023.
A10 Advisory	A10 Advisory is an administrative services firm controlled by Marcelo Paiva, a Director of the Company. The CEO, Ana Cabral-Gardner (Co-CEO on December 31, 2022), has a minority interest .
A10 Serviços de Análise de Empresas e Administrativos Ltda.	A10 Serviços de Análise de Empresas e Administrativos Ltda is an administrative services firm controlled by Marcelo Paiva, a Director of the Company, and had no transactions with the Company before or during the year 2023.
Miazga	Miazga Participações S.A is a land administration company in which Ana Cabral-Gardner, the CEO of the Company (Co-CEO on December 31, 2022), has an indirect economic interest.
Arqueana	Arqueana Empreendimentos e Participações S.A. is a land administration company in which Ana Cabral-Gardner, the CEO of the Company (Co-CEO on December 31, 2022), has in indirect economic interest.
R-TEK	R-TEK Group Pty Ltd is a corporation in which a former officer of the Company, Brian Talbot, who resigned on September 29, 2023 is the controlling shareholder and since 4th quarter it was not considered as related party anymore
Tatooine	Tatooine Investimentos S.A. is a land administration company in which a former officer of the Company, Marina Bernardini, is the controlling shareholder and officer.
Key management personnel	Includes the directors of the Company, executive management team and senior management at Sigma Brazil.

a) Transactions with related parties

Cost sharing agreements ("CSAs"): The Company has CSAs with A10 Advisory and A10 Finan ças, whereby the firms are reimbursed for certain expenses: (i) the cost of administrative personnel that is 100% allocated to the Company; (ii) the rental of office space that was formerly occupied by A10 Advisory and that is now fully used by the Company; (iii) health insurance expenses of former A10 Advisory staff now employed by the Company; and (iv) any relatively minor expenses of the Company that may be paid by one of the firms for later reimbursement by the Company.

Leasing Agreements: The Company has right-of-way lease agreements with Miazga and Arqueana relating to access to the industrial plant.

Note Payable: The Company fully repaid the final installment of $0.3 million to Arqueana in March 2022.

Accounts receivable (Miazga): This receivable refers to Miazga's purchase of property located in the area of interest of the Project (the "Property"). Sigma Brazil paid for that purchase on behalf of Miazga for future reimburse. The purpose of this purchase of property is to be further transferred to authorities for environmental compensation purposes. This receivable provides for an amount up to Brazilian Reais R$0.8 million (equivalents to $0.2 million), which is the amount spent on the purchase of the property. This receivable is non-interest bearing. Both the purchase agreement and this receivable are divided into two installments, with the first installment paid on December 31, 2022, and the last installment to be paid once the property has successfully been transferred to Miazga.

Accounts receivable (Arqueana): The Company paid for drilling services provided by a third party that were performed on Arqueana's land. These amounts are unsecured and are non-interest bearing. The amount was fully repaid in March 2023.

Accounts receivable (Tatooine): On April 20, 2023, Sigma Brazil entered into a facility agreement with Tatooine, to fund Tatooine's purchase of multiple properties located in areas of interest of the Company. The facility agreement provides for the loan of an amount up to $15.9 million. The facility agreement is to be made available upon utilization requests made by Tatooine to Sigma Brazil, specifying the amount to be utilized by Tatooine for the acquisition of each property and its corresponding expected costs and expenses. The loan granted by Sigma Brazil to Tatooine under the Facility Agreement at December 31, 2023 represents a total amount of $12,957, bearing 12% p.a. interest with final maturity date aligned with the exhaustion of our reserves expected for 2038.

b) Transactions with related parties

	12/31/2023			12/31/2022		
Description	**Pre-payments / Receivable**	**Accounts payable / Debt**	**Expenses / Payments / Income**	**Pre-payments / Receivable**	**Accounts payable / Debt**	**Expenses / Payments / Income**
A10 Advisory						
CSA	—	—	391	—	—	122
Miazga						
Lease agreements	—	42	16	—	42	7
Prepaid land lease offset	96	22	—	103	13	51
Loan Agreement	121	—	—	113	—	—
Arqueana						
Lease agreements	—	235	24	—	225	43
Due from related parties	—	—	—	4,881	—	—
Accounts receivable	—	—	—	—	—	326
R-TEK						
Services provision	—	—	2,278	—	242	1,142
Tatooine						
Accounts receivable	12,957	—	638	—	—	—
Total	**13,174**	**299**	**3,347**	**5,097**	**522**	**1,691**

c. Key management personnel

	12/31/2023	12/31/2022
Stock-based compensation, included in operating expenses	24,337	95,398
Salaries, benefits and director's fees, included in general and administrative expenses	1,152	1,969
Salaries, benefits and stock-based compensation capitalized in property, plant and equipment and in exploration and valuation assets	—	3
Severance costs	—	46
Total Compensation	**25,489**	**97,416**

Key management includes the directors of the Company, executive management team and senior management at Sigma Brazil.

NEW IFRS PRONOUNCEMENTS

(a) Not yet effective

The following standards and interpretations have been issued but were not mandatory for annual reporting ended on December 31, 2023. The Company does not expect adoption of these standards to have a material effect on the consolidated financial statements:

- **Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1**

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting year. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption.

- **Supplier finance arrangements – Amendments to IAS 7 and IFRS 7**

  The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

  The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

  The terms and conditions of SFAs.

  a) The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.

  b) The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.

  c) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.

  d) Non-cash changes in the carrying amounts of financial liabilities in(b).

  e) Access to SFA facilities and concentration of liquidity risk with finance providers.

  The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption.

- **Lack of Exchangeability Amendments to IAS 21**

  The amendments establish that when one currency is not exchangeable for another on the measurement date, the spot exchange rate must be estimated. In addition, they provide guidance on how to assess interchangeability between currencies and how to determine the spot exchange rate when interchangeability is absent. When the spot exchange rate is estimated because a currency is not exchangeable for another currency, information must be disclosed to allow the understanding of how the currency not exchangeable for another currency affects, or is expected to affect, the statements of income, the statement of financial position and the statements of cash flows. The amendments are effective January 1, 2025, with specific transition rules.

(b) Effective as from January 1st, 2023

- **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2**

  The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in the notes to the financial statements in certain instances, in line with the amendments.

- **Amendments to IAS 12 - OECD Pillar Two Rules**

  In December 2021, the Organization for Economic Co-operation and Development ("OECD") released the Pillar Two model rules to reform international corporate taxation. Multinational economic groups within the scope of these rules are required to calculate their effective tax rate in each country where they operate, the "GloBE effective tax rate". When the effective GloBE rate of any entity in the economic group, aggregated by jurisdiction where the group operates, is lower than the minimum rate defined at 15%, the multinational group must pay a supplementary amount of tax on profit, referring to the difference between its rate effective GloBE and the minimum tax rate. In May 2023, the IASB made amendments to IAS 12 - Income Taxes, which provide a temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. There were no financial effects of adoption of this Standard.

- **Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  The change is effective for annual years beginning on or after January 1, 2023, and required the recognition of a deferred tax asset and a deferred tax liability when a single transaction generates taxable and deductible temporary differences at the same time. There were no financial effects of adoption of this Standard.

RISK FACTORS

The Company is subject to numerous risk factors at any given time (many of which are beyond its control) which could materially adversely impact upon its business, financial condition, results of operations, cash flows, ability to obtain financing and prospects and, as a result, the trading price of the Common Shares. For risk factors faced by Sigma, please refer to its Annual Information Form for the year ended December 31, 2023 in the section titled "Risk Factors" filed on the Company's profile on SEDAR at www.sedarplus.ca and EDGAR at www.sec.gov, as revised or supplemented as follows:

Risks Related to Resource Development

- **Development of the Company:** The Company's business strategy depends in large part on developing and maintaining the Company as a commercially viable mining operation. Whether a mineral deposit will be commercially viable depends on numerous factors, including: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) commodity prices, which are highly volatile; and (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and capital and operating cost requirements. The continuous development and operation of the Company is subject to the Company securing the necessary funding and other resources and is also subject to numerous development and operational risks.

  Accordingly, there can be no assurance that the Company will be able to maintain as a commercial mining operation.

- **Achieving and managing growth:** The Company began its operations in the second quarter of 2023 and has faced a substantial increase in skilled personnel and operational support as it transitions to a more consolidated operating stage. The Company's ability to succeed in concluding the development to commercial operations depends on a number of factors, including management's ability to manage this transition, the availability of working capital, and the ability to recruit and train additional qualified personnel (and, where appropriate, to engage third party contractors with qualified personnel).

Risks Related to the Company's Business and Securities

- **Risks of future losses and going concern:** The Company's ability to continue as a going concern is dependent upon the ability to ultimately generate future profitable operations and obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company has reported net losses and comprehensive losses for the years ended December 31, 2023 and 2022. The Company had a cash balance of $64.4 million as of December 31, 2023 and believes it will be capable of generating more cash from its operations and considers it will continue as a going concern at least for the next twelve months. The Company's business does not currently operate on a self-sustaining basis and until it is successfully able to fund its expenditures from its revenues, its ability to continue as a going concern is dependent on obtaining additional debt financing to fund long-term expenditures related to the construction of the forthcoming Phase 2 Greentech Plant.

- **Significant shareholder influence:** To the Company's knowledge, as of the date hereof, A10 Investimentos Fundo de Investimento de Ações - Investimento No Exterior ("**A10 Fund**") holds approximately 43.3% of the outstanding Common Shares. For as long as it directly or indirectly maintains a significant interest in the Company, A10 Fund may be in a position to affect the Company's governance and operations. As a result of its shareholdings, A10 Fund has the ability, among other things, to approve significant corporate transactions and delay or prevent a change of control of the Company that could otherwise be beneficial to minority shareholders. A10 Fund generally will have the ability to control the outcome of any matter submitted for the vote or consent of the Company's shareholders. In some cases, the interests of A10 Fund may not be the same as those of the other minority shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company or minority shareholders (including conflicts of interests that result from certain officers and directors being involved with the A10 Fund). The effect of this influence may be to limit the price that investors are willing to pay for Common Shares.

  In addition, the potential that A10 Fund may sell Common Shares in the public market or in private transactions, as well as any actual sales of Common Shares in the public market or in private transactions, could adversely affect the market price of the Common Shares.

Risks Related to cyber-security

The Company is subject to risks associated with its information technology systems and cyber-security, such as the misappropriation of the Company's confidential information noted above, the disclosure of which could have an adverse effect on the Company.

CRITICAL ACCOUNTING ESTIMATES

In preparing the consolidated financial statements, management has made judgments and estimates about the future that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments

Judgments are made in relation to the application of accounting policies that have significant effects on the amounts recognized in the financial statements as well as the extent and significance of the disclosure given, whether the circumstances affecting the Company has been adequately considered when preparing the financial statements. The judgment considered in the financial statements is the classification as non-current liability of the long-term export prepayment agreement repayable by December 2026 since the amortization of principal is dependent upon the sum of net cash from operating and investing activities.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company 's risk management and commitments where appropriate. Revisions to estimates are recognized prospectively.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying amounts include, but are not limited to:

Measurement of share-based payment transactions: The valuation of the Company's share-based payment transactions requires the use of estimates and valuation techniques. Measurement of the Company's restricted share units ("RSU's) that contain market-based conditions is based on a Monte Carlo pricing model which uses various inputs and assumptions. Changes in these assumptions result in changes in the fair value of these instruments and a corresponding change in the amount recognized in profit or loss. Judgement is also required in determining grant date and in estimating when non-market performance conditions are expected to be met.

Mineral reserves and mineral resources: Proven and probable mineral reserves of the Company are those measured and indicated mineral resources demonstrated by at least a preliminary feasibility study and commercial viability. The Company estimates its proven and probable mineral reserves and measured, indicated and inferred mineral resources based on the work done and compiled by qualified persons. The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral ore body. Changes in the proven and probable mineral reserves or measured, indicated and inferred mineral resources estimates may impact the carrying amount of the property, plant and equipment, asset retirement obligations, recognition of deferred tax amounts and depreciation and depletion.

Assets retirement obligation: The Company assesses its provision for assets retirement obligation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for restoration, rehabilitation, and environmental remediation obligations requires management to make estimates of the future costs the Company will incur to complete the restoration, rehabilitation, and environmental remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration, rehabilitation, and environmental remediation work required to be performed by the Company. Increase in future costs could materially impact the amounts charged to operations for restoration, rehabilitation, and environmental remediation. The provision represents management's best estimate of the present value of the future restoration, rehabilitation, and environmental remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Impairment of non-financial assets: Significant judgements, estimates and assumptions are required to determine whether an impairment trigger event has occurred and to prepare the Company's cash flows. Management uses the budgets approved as a starting point and key assumptions are, but not limited to: (i) mineral reserves and mineral resources measured by internal experts; (ii) costs and investments based on the best estimate of projects; (iii) sale prices consistent with projections available in reports published by industry considering the market price when appropriate; (iv) the useful life of the Company's cash generating unit; and (v) discount rates that reflect specific risks relating to the relevant assets in the cash-generating unit. These assumptions are susceptible to risks and uncertainties and may change the Company's projection and, therefore, may affect the recoverable value of assets.

Provisional pricing adjustments: The Company's products may be provisionally priced at the date revenue is recognized and a provisional invoice issued. Provisionally priced receivables are subsequently measured at fair value through profit and loss under IFRS 9 "Financial Instruments". The final selling price for all provisionally priced products is based on the estimated price for the quotational period stipulated in the contracts. Final prices are normally determined in approximately 105 days after delivery to the customer. The change in value of the provisionally priced receivable is based on relevant forward market prices and is included in sales revenue. For contracts with variable pricing dependent on the content of mineral in the product delivered, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve its ongoing business objectives, namely funding future growth opportunities (including potential production expansions through the development of the Project's Phase 2 and Phase 3 deposits); and
- To maximize shareholder returns through enhancing its share value.

The Company monitors its capital structure and adjusts according to market conditions to meet its objectives, given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, raising debt, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board on an ongoing basis.

The Company's shareholders' equity is comprised of share capital, stock-based compensation, other comprehensive income (loss) and accumulated losses, which on December 31, 2023 totaled $214.6 million (December 31, 2022: $183.1 million). The Company's capital management objectives, policies, and processes remained unchanged during the year ended December 31, 2023.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its operating expenditures and other investing and financing initiatives based on its activities.

FINANCIAL RISK FACTORS

The Company is exposed to a variety of financial risks such as credit risk, liquidity risk and market risks, including interest rate risk, foreign currency risk and price risk).

The fair values of cash and cash equivalents, accounts payable, export prepayment trade finance and credits from related parties approximate their carrying amounts due to the short-term to maturity of these financial instruments.

Credit Risk

The credit risk management policy aims to minimize the possibility of not receiving sales made and amounts invested, deposited or guaranteed by financial institutions and counterparties, through analysis, granting and management of credits, using quantitative and qualitative parameters.

At December 31, 2023, the credit risk is fully concentrated on a single customer since the Company is currently developing its credit portfolio.

The Company manages its credit risk by receiving in advance a substantial portion of its sales or by being guaranteed by letters of credit.

Credit granted to financial institutions is used to accept guarantees and invest cash surpluses.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company 's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due.

The Company's management of cash is focused on funding ongoing capital needs for operating the Greentech Plant, developing the Company's growth opportunities (including Phase 2) and for general corporate expenditures. Management intends to use cash generated by its operating activities to meet its obligations. To the extent the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity or debt funding.

The Company continuously monitors its cash outflows and seeks opportunities to minimize all costs, to the extent possible, as well as its general and administrative expenses.

The following table shows the contractual maturities of financial liabilities, including interest (Thousands of Canadian dollars):

Contractual obligations *(in C$ 000s)*	**Up to 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**	**Total**
Suppliers	59,826	—	—	—	59,826
Accounts payable	11,326	—	—	—	11,326
Export prepayment	28,907	166,299	5,478	—	200,684
Lease liabilities	2,132	2,827	245	523	5,727

Market Risk

Provisional pricing adjustments – The Company's products may be provisionally priced at the date revenue is recognized and a provisional invoice issued. Provisionally priced receivables are subsequently measured at fair value through profit and loss under IFRS 9 "Financial Instruments". The final selling price for all provisionally priced products is based on the estimated price for the quotational period stipulated in the contracts. Final prices are normally determined in approximately 105 days after delivery to the customer. The change in value of the provisionally priced receivable is based on relevant forward market prices and is included in sales revenue. For contracts with variable pricing dependent on the content of mineral in the product delivered, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products.

The sensitivity of the Company's risk related to the final settlement of provisional pricing accounts receivable expected to be determined during the first half of 2024 is detailed below:

	Volume (kt)	**Shipment average price**	**Variation**	**Effect on Sales Revenue**
High grade lithium concentrate (Probable)	87,534	USD 1,215 / $1,611	—	—
High grade lithium concentrate (+20%)	87,534	USD 1,215 / $1,611	USD 243 / $322	28,186
High grade lithium concentrate (-20%)	87,534	USD 1,215 / $1,611	(USD 243) / ($322)	(28,186)

(*) The sensitivity analysis of the probable scenario was measured using the CIF -Fastmarkets spot price of April 18, 2024 as a reference and the exchange rate is USD1.00 to $1.3256 at December 31, 2023.

Interest Rate Risk

This risk arises from short and long-term financial investments, financing and export prepayment linked to fixed and floating interest rates of the CDI, Selic and BSBY, exposing these financial assets and liabilities to interest rate fluctuations as shown in the sensitivity analysis framework.

The Company considered probable scenario, scenarios 1 and 2 of changes in interest rates volatility as of December 31, 2023.

The interest rates used in the sensitivity analysis in their respective scenarios are shown below together with the effects on the profit and loss balances:

Changes in interest rates and exchange rates (*in C$ 000s*)			**Notional**	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
Assets						
Rate			13.04 %	10.03 %	9.03 %	8.03 %
Cash and cash equivalent	CDI (-10% and -20%)		11,515	(1,155)	(1,040)	(924)
			Notional	**Probable scenario (*)**	**Scenario 1**	**Scenario 2**
Liabilities						
Rate	11.65	%	11.15 %	12.27 %	13.38 %	
BDMG	Selic (+10% and +20%)		(13,285)	(1,481)	(1,629)	(1,778)
Rate	5.43	%	5.40 %	5.54 %	5.67 %	
Export prepayment agreement	BSBY (+2,5% and +5,0%)		(109,644)	(5,923)	(6,071)	(6,219)

(*) Sensitivity analysis of the scenario probable was measured using as reference the rates at at March 31, 2024.

Foreign Currency Risk

The exposure arises from the existence of assets and liabilities generated in Dollar, since the Company's functional currency is the Brazilian Real.

The consolidated exposure as of December 31, 2023 and 2022 is as follow:

Description	**12/31/2023**	**12/31/2022**
Canadian dollars *(in C$ 000s)*		
Cash and cash equivalents	68	—
Suppliers	(779)	—
Account payables	(6,136)	—
Other current liabilities	(67)	—
	(6,914)	**—**
United States dollar *(in C$ 000s)*		
Cash and cash equivalents	4,557	28,704
Trade accounts receivable	22,400	—
Interest - Exporte prepayment agreement	(11,689)	(3,800)
Export prepayment agreement	(109,644)	(60,114)
	(94,376)	**(35,210)**

We present below the sensitivity analysis for foreign exchange risks. The Company considered probable scenario and scenarios 1 and 2 as 10%, and 20%, respectively, of deterioration for volatility of the currency, using as reference the exchange rate at December 31, 2023.

The currencies used in the sensitivity analysis and its scenarios are shown below:

		12/31/2023		
Currency	**Exchange rate**	**Probable scenario (*)**	**Scenario 1 (+/-10%)**	**Scenario 2 +/-20%)**
CAD (+)	3.6522	3.6924	4.0616	4.4309
CAD (-)	3.6522	3.6924	3.3232	2.9539
USD (+)	4.8413	4.9962	5.4958	5.9954
USD (-)	4.8413	4.9962	4.4966	3.9970

The effects on the profit and loss, considering scenarios 1 and 2 are shown below:

		12/31/2023		
	Notional	**Probable scenario(*)**	**Scenario 1**	**Scenario 2**
Total Canadian dollar-denominated (+)	(6,914)	75	697	1,215
Total Canadian dollar-denominated (-)	(6,914)	75	(685)	(1,634)
Total U.S dollar-denominated (+)	(94,376)	2,926	11,240	18,168
Total U.S dollar-denominated (-)	(94,376)	2,926	(7,235)	(19,937)

(*) Sensitivity analysis of the scenario probable was measured using as reference the exchange rate, published by the Central Bank of Brazil, at March 31, 2024.

Changes in Directors and Management

At the beginning of August, Caio Araujo became the new CFO of Sigma. Mr. Araujo joined Sigma on June 26, 2023, as Chief Controls Officer and then replaced the former CFO. Mr. Araujo has 33 years of experience in finance and controlling, having built his career in auditing and consulting in global capital markets, accounting and controlling of a multi-segment company acting in the steel, iron ore, cement, energy and logistics industries. Before joining Sigma, Mr. Araujo was Controlling and Treasury Director of a telecommunications company. Mr. Araujo has bachelor degrees in accounting and business administration and has an MBA in Production Engineering from Escola Politecnica of the University of Sao Paulo (USP) and an MBA in Corporate Finance and Investment Banking from Foundation Institute of Administration (FIA).

Matthew DeYoe joined the Company as Executive Vice President for Corporate Affairs and Strategic Development on October 26, 2023, based in the United States. Prior this, Mr. Deyoe was the leading coverage research director for lithium and chemical companies over the past four years for Bank of America and has also held positions on the buy-side at hedge funds where he specialized in chemical, lithium, and energy investments. Mr. Deyoe holds a Bachelor of Science degree in Business Administration from Georgetown University and is a CFA charterholder.

Brian Talbot resigned as COO on September 30, 2023, on account of health reasons. Reinaldo Brandao, head of Mining, Keith Prentice, head of Processing, and Iran Zan, head of Geology & Regional Institutional Relations, were promoted to be the Co-General Managers, leading the operations on site.

QUALIFIED PERSON

Mr. Marc-Antoine Laporte, P.Geo, Mr. Homero Delboni Jr, B.E., M.Eng.Sc., Ph.D., Mr. Jarrett Quinn, P.Eng., Mr. Porfirio Cabaleiro Rodriguez, Meng. and Mr. William van Breugel, P.Eng are the "qualified person" under National Instrument 43-101 ("**NI 43-101**") who reviewed and approved the technical information disclosed in this MD&A.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information and statements in this MD&A may constitute "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of U.S. securities legislation (collectively, "**Forward-Looking Information**"), which involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such Forward-Looking Information. All statements, other than statements of historical fact, may be Forward-Looking Information, including, but not limited to, mineral resource or mineral reserve estimates (which reflect a prediction of the mineralization that would be realized by development). When used in this MD&A, such statements generally use words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate" and other similar terminology. These statements reflect management 's current expectations regarding future events and operating performance and speak only as of the date of this MD&A. Forward-Looking Information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and does not necessarily provide accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the Forward-Looking Information, which is based upon what management believes are reasonable assumptions, and there can be no assurance that actual results will be consistent with the Forward-Looking Information.

In particular (but without limitation), this MD&A contains Forward Looking Information with respect to the following matters: statements regarding anticipated decision making with respect to the Company; capital expenditure programs; estimates of mineral resources and mineral reserves; development of mineral resources and mineral reserves; government regulation of mining operations and treatment under governmental and taxation regimes; the future price of commodities, including lithium; the realization of mineral resource and mineral reserve estimates, including whether mineral resources will ever be developed into mineral reserves; the timing and amount of future production; currency exchange and interest rates; expected outcome and timing of environmental surveys and permit applications and other environmental matters; potential positive or negative implications of change in government; the Company's ability to raise capital and obtain project financing; expected expenditures to be made by the Company on its properties; successful operations and the timing, cost, quantity, capacity and quality of production; capital costs, operating costs and sustaining capital requirements, including the cost of construction of the processing plant; and competitive conditions and the ongoing uncertainties and effects in respect of the military conflict in Ukraine.

Forward-Looking Information does not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-Looking Information is based upon a number of expectations and assumptions and is subject to several risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those disclosed in or implied by such Forward-Looking Information. With respect to the Forward-Looking Information, the Company has made assumptions regarding, among other things:

- General economic and political conditions (including but not limited to the impact of the continuance or escalation of the military conflict between Russia and Ukraine, the military conflict in Middle East, and other military and global conflicts, and the multinational economic sanctions in relation to such conflicts).
- Stable and supportive legislative, regulatory and community environment in the jurisdictions where the Company operates.
- Stability and inflation of the Brazilian Real, including any foreign exchange or capital controls which may be enacted in respect thereof, and the effect of current or any additional regulations on the Company's operations.
- Demand for lithium, including that such demand is supported by growth in the EV market.
- Estimates of, and changes to, the market prices for lithium.
- The impact of increasing competition in the lithium business and the Company 's competitive position in the industry.
- The Company's market position and financial and operating performance.

- The Company's estimates of mineral resources and mineral reserves, including whether mineral resources will ever be developed into mineral reserves.
- Anticipated timing and results of exploration, development and construction activities.
- Reliability of technical data.
- The Company's ability to maintain full capacity commercial production, including that the Company will not experience any materials or equipment shortages, any labor or service provider outages or delays or any technical issues.
- The Company's ability to obtain financing on satisfactory terms to develop the its projects, if required.
- The Company's ability to obtain and maintain mining, exploration, environmental and other permits, authorizations and approvals.
- The timing and outcome of regulatory and permitting matters.
- The exploration, development, construction and operational costs.
- The accuracy of budget, construction and operations estimates for the Company.
- Successful negotiation of definitive commercial agreements.
- The Company's ability to operate in a safe and effective manner.

Although management believes that the assumptions and expectations reflected in such Forward-Looking Information are reasonable, there can be no assurance that these assumptions and expectations will prove to be correct. Since Forward-Looking Information inherently involves risks and uncertainties, undue reliance should not be placed on such information.

In addition, Forward Looking Information with respect to the potential outlook and future financial results contained in this MD&A is based on assumptions noted above and about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information available as at the date of such information. Readers are cautioned that any such information should not be used for purposes other than for which it is disclosed.

The Company's actual results could differ materially from those anticipated in any Forward-Looking Information as a result of various known and unknown risk factors, including (but not limited to) the risk factors referred to under the heading "Risk Factors" in this MD&A. Such risks relate to, but are not limited to, the following:

- There can be no assurance that market prices for lithium will remain at current levels or that such prices will improve.
- The market for EVs and other large format batteries remains an emerging technology in a number of markets. No assurances can be given for the rate at which this market will develop, if at all, which could affect the success of the Company and its ability to expand lithium operations.
- Changes in technology or other developments could result in preferences for substitute products.
- New production of lithium hydroxide or lithium carbonate or spodumene concentrate from current or new competitors in the lithium markets could adversely affect prices.
- The Company's financial condition, operations and results of operations are subject to political, economic, social, regulatory and geographic risks of doing business in Brazil.

- Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Company's financial condition and results of operations.
- Violations of anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations could materially adversely affect the Company's business, reputation, results of operations and financial condition.
- Corruption and fraud in Brazil relating to ownership of real estate could materially adversely affect the Company 's business, reputation, results of operations and financial condition.
- The Company is subject to regulatory frameworks applicable to the Brazilian mining industry which could be subject to further change, as well as government approval and permitting requirements, which may result in limitations on the Company's business and activities.
- The Company's operations are subject to numerous environmental laws and regulations and expose the Company to environmental compliance risks, which may result in significant costs and have the potential to reduce the profitability of operations.
- Physical climate change events and the trend toward more stringent regulations aimed at reducing the effects of climate change could have an adverse effect on the Company's business and operations.
- The Company's future production estimates are based on existing mine plans and other assumptions which change from time to time. No assurance can be given that such estimates will be achieved.
- The Company's capital and operating cost estimates may vary from actual costs and revenues for reasons outside of the Company's control.
- Insurance may not be available to insure against all such risks, or the costs of such insurance may be uneconomic. Losses from uninsured and underinsured losses have the potential to materially affect the Company's financial position and prospects.
- The Company is subject to risks associated with securing title, property interests and exploration and exploitation rights.
- The Company is subject to strong competition in Brazil and in the global mining industry.
- The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to securities, labor, environmental and health and safety matters, which could result in consequences material to its business and operations.
- The Company's mineral resource and mineral reserve estimates are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources or mineral reserves will ever qualify as a commercially mineable (or viable) deposit.
- The Company's operations and the development of its projects may be adversely affected if it is unable to maintain positive community relations.
- The Company is exposed to risks associated with doing business with counterparties, which may impact the Company 's operations and financial condition.
- Any limitation on the transfer of cash or other assets between the Company and the Company 's subsidiaries, or among such entities, could restrict the Company's ability to fund its operations efficiently or the ability of its subsidiaries to distribute cash otherwise available for distributions.
- The Company is subject to risks associated with its reliance on consultants and others for mineral exploration and exploitation expertise.

- The Company is subject to risks associated with its reliance on consultants and others for mineral exploration and exploitation expertise.
- The Company's operations are subject to the high degree of risk normally incidental to the exploration for, and the development and operation of, mineral properties.
- From time to time, the Company may become involved in litigation, which may have a material adverse effect on its business, financial condition and prospects.
- The current military conflict in Ukraine and the Middle East and the economic or other sanctions imposed in response to such military conflicts and other global conflicts may impact global markets in such a manner as to have a material adverse effect on the Company's business, operations, financial condition and stock price.
- The Company may be unable to achieve cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness, or maintain its debt covenants.
- The Company may not be able to obtain sufficient financing in the future on acceptable terms, which could have a material adverse effect on the Company's business, results of operations and financial condition. In order to obtain additional financing, the Company may conduct additional (and possibly dilutive) equity offerings or debt issuances in the future.
- Western governmental actions in respect of critical minerals may affect the Company's business.
- The Company may be unable to achieve cash flow from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on the Company's indebtedness, or maintain its debt covenants.
- The Company has not declared or paid dividends in the past and may not declare or pay dividends in the future.
- The Company has increased costs as a result of being a public company both in Canada listed on the TSXV and in the United States listed on the Nasdaq, and its management is required to devote further substantial time to United States public company compliance efforts.
- If the Company does not implement and maintain adequate and appropriate internal controls over financial reporting as outlined in accordance with NI 52-109 or the Rules and Regulations of the SEC. Accordingly, inappropriately designed or ineffective controls could result in inaccurate financial reporting.
- As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a domestic U.S. issuer, which may limit the information publicly available to its shareholders.
- Failure to retain key officers, consultants and employees or to attract and, if attracted, retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success.
- The Company is subject to currency fluctuation risks.
- From time to time, the Company may become involved in litigation, which may have a material adverse effect on its business financial condition and prospects.
- Certain directors and officers of the Company are, or may become, associated with other natural resource companies which may give rise to conflicts of interest.
- The market price for the Company's shares may be volatile and subject to wide fluctuations in response to numerous factors beyond its control, and the Company may be subject to securities litigation as a result.

- If securities or analysts, industry analysts or activist short sellers publish research or other reports about the Company 's business, prospects or value, which questions or downgrades the value of the Company, the price of the Common Shares could decline.
- The Company will have broad discretion over the use of the net proceeds from offerings of its securities.
- There is no guarantee that the Common Shares will earn any positive return in the short term or long term.
- The Company has a major shareholder which owns 43.3% of the outstanding Common Shares and, as such, for as long as such shareholder directly or indirectly maintains a significant interest in the Company, it may be in a position to affect the Company's governance, operations and the market price of the Common Shares.
- As the Company is a Canadian corporation but many of its directors and officers are not citizens or residents of Canada or the U.S., it may be difficult or impossible for an investor to enforce judgements against the Company and its directors and officers outside of Canada and the U.S. which may have been obtained in Canadian or U.S. courts or initiate court action outside Canada or the U.S. against the Company and its directors and officers in respect of an alleged breach of securities laws or otherwise. Similarly, it may be difficult for U.S. shareholders to effect service on the Company to realize on judgments obtained in the United States.
- The Company is governed by the Canada Business Corporations Act and by the securities laws of the province of Ontario, which in some cases have a different effect on shareholders than U.S. corporate laws and U.S. securities laws.
- The Company is subject to risks associated with its information technology systems and cyber-security.
- The Company may be a Passive Foreign Investment Company, which may result in adverse U.S. federal income tax consequences for U.S. holders of Common Shares.

Readers are cautioned that the foregoing lists of assumptions and risks are not exhaustive. The Forward-Looking Information contained in this MD&A is expressly qualified by these cautionary statements. All Forward-Looking Information in this MD&A speaks as of the date of this MD&A. The Company does not undertake any obligation to update or revise any Forward-Looking Information, whether as a result of new information, future events, or otherwise, except as required by applicable securities law. Additional information about these assumptions, risks, and uncertainties is contained in the Company's filings with securities regulators, including this MD&A and the Annual Information Form, which are available on SEDAR at www.sedarplus.ca.

CAUTIONARY NOTE REGARDING MINERAL RESERVE & MINERAL RESOURCE ESTIMATES

Technical disclosure regarding the Company 's properties included in this document has not been prepared in accordance with the requirements of U.S. securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and estimates are made in accordance with NI 43-101. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the CIM Definition Standards.

NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the SEC generally applicable to U.S. companies. Accordingly, information contained in this MD&A is not comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

Exhibit 99.3

SIGMA LITHIUM CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

(EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Sigma Lithium Corporation (the "Company") are the responsibility of management and have been approved by the Company's Board of Directors (the "Board").

The consolidated financial statements have been prepared by management on a going concern basis in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not exact since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board, and all of its members are independent directors. The Audit Committee meets at least four times a year with management, and with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the quarterly and the annual reports, the consolidated financial statements and the external auditor's reports. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board and approval by the shareholders, the engagement or reappointment of the external auditors.

"Ana Cabral Gardner"
Chief Executive Officer and Co-Chairperson

"Caio Márcio Martins de Araújo"
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Sigma Lithium Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Sigma Lithium Corporation and its subsidiaries (the "Company") as of December 31, 2023, the related consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for the year then ended and the related notes (collectively referred to the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operation and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 30, 2024 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company 's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relate.

Accounting for RSU stock-based compensation awards

As discussed in Note 28 to the consolidated financial statements, under the Company ’s equity incentive plan, selected participants are granted restricted share units (RSUs). RSUs are measured at fair value on either the grant date or a proxy for such date in certain circumstances. For RSUs that are subject to performance-based conditions, vesting of the awards depends on meeting certain performance-based milestones. At each reporting date, the Company considers whether achievement of a milestone is probable and, if so, records compensation expense based on the portion of the service period elapsed to date with respect to that milestone, with a cumulative catch-up, net of estimated forfeitures. The Company will recognize remaining compensation expense with respect to a milestone, if any, over the remaining estimated service period. During the year ended December 31, 2023, the Company recorded $64,330 thousand in relation to RSUs in stock-based compensation.

We identified the evaluation of the Company ’s accounting for RSU stock-based compensation awards as a critical audit matter. Challenging auditor judgment was required to evaluate the assumptions relating to the Company's determination of the probability and timing of when the performance-based milestones will be achieved. Specifically, the assumptions include when the grant date was achieved and the probability and timing of the achievement of non-market performance conditions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated management’s accounting conclusions with respect to the determination of when the grant date of the RSUs was achieved by comparing against the date of approval by the Board of Directors and the Compensation Committee. We evaluated the probability and timing of achievement of the non-market performance conditions used to estimate the vesting period of each award granted by comparing to the Company’s actual and future operating and development plans. We also inquired of others outside of the accounting function as to the probability and timing of achievement of the non-market performance conditions and read publicly available market information.

KPMG Auditores Independentes Ltda.

We have served as the Company’s auditor since 2023.

São Paulo, Brazil
April 30, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Sigma Lithium Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Sigma Lithium Corporation's (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Company as of December 31, 2023, the related consolidated statements of loss, comprehensive loss, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (collectively, the consolidated financial statements), and our report dated April 30, 2024 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to the following have been identified and included in management's assessment.

- An ineffective control environment resulting from the failure to disseminate a translated Code of Ethics and relevant training thereon, an insufficient number of trained personnel with the appropriate skills and knowledge, including an appropriate assigned level of authority, responsibility and accountability related to the design, implementation and operating effectiveness of financial reporting, as well as insufficient board oversight over the development and performance of internal controls;

- An ineffective risk assessment process necessary to identify all relevant risks of material misstatement, including fraud risks, and to evaluate changes that could impact internal control over financial reporting, as well as the implications of relevant risks on the achievement of objectives, including financial reporting objectives;

- An ineffective internal and external information and communication process to ensure the relevance, timeliness and quality of information used in control activities, including the communication of the Company's whistleblower policy and the preparation and selection of appropriate methods for communicating external information;

- An ineffective monitoring process to ensure controls are periodically evaluated, results of testing are communicated to senior management and the board of directors and the control deficiencies are tracked for remediation on a timely basis; and

- Ineffective control activities due to the (i) failure to deploy general control activities over information technology (ii) failure to document policies and procedures and (iii) failure to document control activities to mitigate risks.

The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2023 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Internal Control over Financial Reporting" in Management`s Discussion and Analysis.]. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG Auditores Independentes Ltda.

São Paulo, Brazil
April 30, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Sigma Lithium Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Sigma Lithium Corporation (the Company) as of December 31, 2022, the related statements of loss, comprehensive loss, shareholders' equity, and cash flows for the year ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and its financial performance and its cash flows for the year ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company 's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants We served as the

Company's auditor from 2018 to 2023.

Toronto, Canada June 12, 2023

Sigma Lithium Corporation

Consolidated Statements of Financial Position
Years Ended December 31, 2023 and 2022
(Expressed in thousands of Canadian dollars)

	Notes	12/31/2023	12/31/2022
ASSETS			
Current assets			
Cash and cash equivalents	5	64,403	96,354
Trade accounts receivable	6	29,693	—
Inventories	7	19,442	—
Accounts receivable from related parties	13	14	4,984
Advance to suppliers	8	7,062	1,624
Prepaid expenses and other assets		4,380	11,113
Recoverable VAT and other taxes	9	17,682	419
Total current assets		**142,676**	**114,494**
Non-current assets			
Loan and accounts receivable from related parties	13	13,160	—
Prepaid expenses and other assets		66	204
Deferred income tax and social contribution	19	2,070	—
Collateral and guarantees	10	15,269	—
Property, plant and equipment	11	239,742	158,574
Deferred exploration and evaluation expenditure	12	74,255	35,636
Total non-current assets		**344,562**	**194,414**
Total assets		**487,238**	**308,908**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Suppliers	14	59,826	24,307
Loans and export prepayment	15	28,907	—
Lease liability	16	2,132	680
Prepayment from customer	17	2,154	—
Taxes payable	18	13,566	3,070
Accounts payable		11,326	1,936
Founder's royalty option	11	—	5,081
Payroll and related charges		2,528	409
Other liabilities		1,934	1,959
Total current liabilities		**122,373**	**37,442**
Non-current liabilities			
Loans and export prepayment	15	141,999	77,438
Lease liability	16	3,595	2,989
Taxes payable	18	138	—
Labor contingencies		1,013	1,386
Asset retirement obligations	20	3,836	6,547
Total Non-current liabilities		**150,581**	**88,360**
Shareholders' equity			
Share capital	22	386,035	276,711
Stock-based compensation reserve		58,974	103,936
Accumulated other comprehensive income (loss)		2,032	(3,030)
Accumulated losses		(232,757)	(194,511)
Total shareholders' equity		**214,284**	**183,106**
Total liabilities and shareholders' equity		**487,238**	**308,908**

The accompanying notes are an integral part of the consolidated financial statements.

Basis of preparation (note 2)
Related parties (note 13)

Approved on behalf of the Board:

(Signed) "Ana Cabral Gardner", Director

Sigma Lithium Corporation

Consolidated Statements of Loss
Years Ended December 31, 2023 and 2022
(Expressed in thousands of Canadian dollars, except for number of shares and per share amounts)

	Note	2023	2022
Sales revenue	24	181,231	—
Cost of goods sold	25 (a)	(92,335)	—
Gross profit		**88,896**	**—**
Operating expenses			
Sales expenses and commissions		(2,485)	—
General and administrative expenses	25 (b)	(54,398)	(15,962)
Other operating income (expenses),net	26	(6,657)	(1,692)
Settlement of founder's royalty option	11(d)	—	(4,892)
Stock-based compensation	28	(46,990)	(111,580)
Operating loss before financial results and income taxes		**(21,634)**	**(134,126)**
Financial income (expenses), net	27	(9,893)	6,916
Loss before income tax and social contribution		**(31,527)**	**(127,210)**
Income tax and social contribution - current	19	(8,979)	—
Income tax and social contribution - deferred	19	2,260	—
Net loss for the year		**(38,246)**	**(127,210)**
Basic and diluted net loss per common share	23	(0.35)	(1.26)
Weighted average number of common shares outstanding - basic and diluted		**107,985,916**	**101,017,241**

The accompanying notes are an integral part of the consolidated financial statements.

Sigma Lithium Corporation

Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2023 and 2022
(Expressed in thousands of Canadian dollars, except for number of shares and per share amounts)

	2023	2022
Net loss for the year	**(38,246)**	**(127,210)**
Items that may be subsequently reclassified to net income (loss):		
Foreign currency translation adjustment of subsidiary	5,062	468
Net loss and comprehensive loss for the year	**(33,184)**	**(126,742)**

The accompanying notes are an integral part of the consolidated financial statements.

Sigma Lithium Corporation

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022
(Expressed in thousands of Canadian dollars)

	Note	2023	2022
Operating activities		**(38,246)**	**(127,210)**
Net loss for the year			
Adjustments for:			
Stock-based compensation	28	46,990	111,580
Interest on loans and leases	15&16	17,728	344
Depreciation and depletion	11	7,547	102
Reversal of present value of assets retirement obligation	20	414	—
Labor contingencies		—	388
Amortization of transaction costs	15	1,059	—
Foreign exchange gain, net	21	(12,325)	(6,879)
Income tax and social contribution - current and deferred	19	6,719	—
Loss on agreement termination		—	1,048
Settlement of agreement termination		—	(5,055)
Interest on loans with related parties		(555)	—
Fair value of founder's royalty option	11(c)	—	4,892
Social projects provision		1,308	—
Realized foreign exchange loss (gain) on notes payable		—	41
Other		368	—
		31,007	**(20,749)**
(Increase) Decrease in operating assets			
Trade accounts receivable	6	(30,436)	—
Prepaid expenses and other assets		(10,784)	(12,412)
Inventories	7	(18,567)	—
Advance to suppliers	8	(5,141)	—
Accounts receivable from related parties		5,902	—
Recoverable VAT and other taxes, net	9	(17,271)	—
Increase (decrease) in operating liabilities			
Suppliers	14	14,851	24,683
Prepayment from customer for by-products	17	1,757	—
Taxes payables		3,966	—
Payroll and related charges		1,960	3,035
Founder's royalty option	11 (c)	(5,372)	—
Other liabilities		121	—
Income taxes paid		(2,310)	—
Interest payment on loans	15	(475)	—
Net cash used in operating activities		**(30,792)**	**(5,443)**
Investing activities			
Purchase of property, plant and equipment	11	(45,782)	(113,556)
Addition to deferred exploration and evaluation expenditure	12	(23,478)	(14,092)
Loans to related parties for land acquisition and geology expenditures	13	(12,957)	(4,881)
Net cash used in investing activities		**(82,217)**	**(132,529)**
Financing activities			
Proceeds from warrants exercised		—	2,345
Proceeds from stock options exercised	22(c);28(b)	22	89
Proceeds from loans	15	92,562	78,367
Payment of lease liabilities	16	(1,423)	(688)
Repayment of loan		(13,336)	(326)
Net cash provided by financing activities		**77,825**	**79,787**
Effect of exchange rate changes on cash held in foreign currency		3,233	234
Decrease in cash and cash equivalents in the year		**(31,951)**	**(57,951)**
Cash and cash equivalents, beginning of year		96,354	154,305
Cash and cash equivalents, end of year		64,403	96,354

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity
Years Ended December 31 2023 and 2022
(Expressed in thousands of Canadian dollars, except per share amounts, and the number of shares, unless otherwise stated)

	Number of common shares	Share capital	Stock-based compensation reserve	Accumulated Other comprehensive income (loss)	Accumulated losses	Total
Balances on January 1st, 2022	**99,377,349**	**224,820**	**30,881**	**(3,498)**	**(67,301)**	**184,902**
Exercise of warrants (Note 22.c)	532,860	3,218	(873)	—	—	**2,345**
Exercise of RSUs (Note 22.c; Note 28.a)	4,759,833	48,504	(48,504)	—	—	**—**
Exercise of stock options (Note 22.c; Note 28.b)	40,000	169	(80)	—	—	**89**
Stock-based compensation (Note 28.a)	—	—	122,512	—	—	**122,512**
Net loss for the year	—	—	—	—	(127,210)	**(127,210)**
Other comprehensive income for the year	—	—	—	468	—	**468**
Balances on December 31, 2022	**104,710,042**	**276,711**	**103,936**	**(3,030)**	**(194,511)**	**183,106**
Exercise of RSUs (Note 22.c; Note 28.a)	5,339,429	109,282	(109,282)	—	—	**—**
Exercise of stock options (Note 22.c; Note 28.b)	10,000	42	(20)	—	—	**22**
Stock-based compensation (Note 28.a)	—	—	64,340	—	—	**64,340**
Net loss for the year	—	—	—	—	(38,246)	**(38,246)**
Other comprehensive income for the year	—	—	—	5,062	—	**5,062**
Balances on December 31, 2023	**110,059,471**	**386,035**	**58,974**	**2,032**	**(232,757)**	**214,284**

The accompanying notes are an integral part of the consolidated financial statements.

1. Corporate information

Sigma Lithium Corporation (the "Company" or "Sigma Lithium" or "Sigma"), together with its direct and indirect subsidiaries, is a commercial producer of lithium concentrate.

These consolidated financial statements include the Company's wholly-owned subsidiary Sigma Lithium Holdings Inc. ("Sigma Holdings"), which is domiciled in Canada and incorporated under the Business Corporations Act (British Columbia), and its indirect wholly-owned subsidiaries incorporated in Brazil, Sigma Mineração S.A. ("Sigma Brazil") and Sigma Industrial de Lítio S.A ("Sigma Industrial").

Sigma Brazil holds a 100% interest in four mineral properties: Grota do Cirilo, São Jose, Santa Clara, and Genipapo, located in the municipalities of Araçuaí and Itinga, in the Vale do Jequitinhonha region (referred as thereafter as "Jequitinhonha Valley") in the State of Minas Gerais, Brazil (together, the "Lithium Properties"), where our operating assets are located.

The Company's common shares commenced trading on the TSX Venture Exchange (the "TSXV") on May 9, 2018 under the symbol "SGML" (formerly "SGMA") and on September 13, 2021 on Nasdaq Capital Market ("Nasdaq"), the symbol was unified to "SGML". On July 24, 2023 Sigma Lithium began trading its unsponsored Brazilian Depositary Receipts ("BDR's") on B3, the Brazilian Stock Exchange. Unsponsored BDRs are issued by depository institutions without the participation of the foreign companies that issued the backing securities, being classified only as Level I Unsponsored BDRs.

2. Basis of preparation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared under the historical cost method, except for certain financial instruments measured at fair value.

Significant accounting judgments and estimates used by management in the preparation of these consolidated financial statements are presented in Note 3.

Certain reclassifications have been made to prior year financial statements to conform to current year presentation.

All the amounts presented in $ have been translated from the Company's functional currency and may contain immaterial rounding.

The consolidated financial statements were approved by the Board of Directors on April 30, 2024.

2.1. Basis of consolidation

2.1.1. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

2.1.2. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

2.2. Functional currency

The Company's functional currency is the currency of the primary economic environment in which it operates and that best reflects its business and operations. The Company's operations are held by the Brazilian subsidiary, Sigma Mineração S.A., which provides the entirety of the inflows and outflows of the Company, including any dividends to be remitted. The Parent Company in Canada is a pure holding with no operations and depends on the Brazilian subsidiary to provide its cash flow. The prices of the lithium commodity are globally referenced in U.S. dollars to provide reference to the market players located in different countries and different currencies. Consequently, the Company's revenues are translated into the Brazilian Real, which is the currency that most of the costs for supplying products or services are incurred and which the costs are normally expressed and settled. Accordingly, the Company's functional currency in 2023 is the Brazilian Real ("R$"), which was Canadian dollars ("$") in 2022.

2.3. Presentation currency of the financial statements

The presentation currency is the currency in which the financial statements are presented and is usually defined according to the Company's legal obligations and the currency where the reporting entity is located. These financial statements are presented in Canadian Dollars ("$"), translating the statements prepared in the functional currency of the Brazilian subsidiaries into Canadian Dollars, using the following criteria:

- Assets and liabilities for each statement of financial position date presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of profit or loss are translated at the average monthly exchange rates for each year;
- Shareholders' equity at historical cost, and
- All resulting exchange differences are recognized in other comprehensive loss.

2.4. Material accounting policies

As to the recognition and measurement basis applied in the preparation of the financial statements, the material accounting practices are presented in each of the Notes to which they refer.

3. Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments throughout and estimates about the future that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments

Judgments have been made in applying accounting policies that have significant effects on the amounts recognized in the financial statements when preparing these financial statements. The judgement considered in these financial statements is the classification as non-current liability of the long-term export prepayment agreement repayable by December 2026 since the amortization of principal is dependent upon the sum of net cash from operating and investing activities.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and commitments where appropriate. Revisions to estimates are recognized prospectively.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying amounts, as follows:

Note 28 - Measurement of share-based payment transactions: The valuation of the Company's share-based payment transactions requires the use of estimates and valuation techniques. Measurement of the Company's restricted share units ("RSU's") that contain market-based conditions is based on a Monte Carlo pricing model which uses various inputs and assumptions. Changes in these assumptions result in changes in the fair value of these instruments and a corresponding change in the amount recognized in profit or loss. Judgement is also required in determining grant date and in estimating when non-market performance conditions are expected to be met.

Note 11 and 12 - Mineral reserves and mineral resources: Proven and probable mineral reserves of the Company are those measured and indicated mineral resources demonstrated by at least a preliminary feasibility study and commercial viability. The Company estimates its proven and probable mineral reserves and measured, indicated and inferred mineral resources based on the work done and compiled by qualified persons. The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral ore body. Changes in the proven and probable mineral reserves or measured, indicated and inferred mineral resources estimates may impact the carrying amount of the property, plant and equipment, asset retirement obligations, recognition of deferred tax amounts and depreciation and depletion.

Note 20 - Assets retirement obligation: The Company assesses its provision for assets retirement obligation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for restoration, rehabilitation, and environmental remediation obligations requires management to make estimates of the future costs the Company will incur to complete the restoration, rehabilitation, and environmental remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of restoration, rehabilitation, and environmental remediation work required to be performed by the Company. Increase in future costs could materially impact the amounts charged to operations for restoration, rehabilitation, and environmental remediation. The provision represents management's best estimate of the present value of the future restoration, rehabilitation, and environmental remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Note 11 – Impairment of non-financial assets: Significant judgements, estimates and assumptions are required to determine whether an impairment trigger event has occurred and to prepare the Company's cash flows. Management uses the budgets approved as a starting point and key assumptions are, but not limited to: (i) mineral reserves and mineral resources measured by internal experts; (ii) costs and investments based on the best estimate of projects; (iii) sale prices consistent with projections available in reports published by industry considering the market price when appropriate; (iv) the useful life of the Company's cash generating unit; and (v) discount rates that reflect specific risks relating to the relevant assets in the cash-generating unit. These assumptions are susceptible to risks and uncertainties and may change the Company's projection and, therefore, may affect the recoverable value of assets.

Note 6 and 24 – **Provisional pricing adjustments:** The Company's products may be provisionally priced at the date revenue is recognized and a provisional invoice issued. Provisionally priced receivables are subsequently measured at fair value through profit and loss under IFRS 9 "Financial Instruments". The final selling price for all provisionally priced products is based on the estimated price for the quotational period stipulated in the contracts. Final prices are normally determined in approximately 105 days after delivery to the customer. The change in value of the provisionally priced receivable is based on relevant forward market prices and is included in sales revenue. For contracts with variable pricing dependent on the content of mineral in the product delivered, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products.

4. New accounting standards and interpretations

(a) Not yet effective

The following standards and interpretations have been issued but were not mandatory for annual reporting ended on December 31, 2023. The Company does not expect adoption of these standards to have a material effect on the consolidated financial statements:

- **Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1**

  Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting year.

Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption.

- **Supplier finance arrangements – Amendments to IAS 7 and IFRS 7**

The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

The terms and conditions of SFAs.

a) The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.

b) The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.

c) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.

d) Non-cash changes in the carrying amounts of financial liabilities in(b).

e) Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption.

- **Lack of Exchangeability Amendments to IAS 21**

The amendments establish that when one currency is not exchangeable for another on the measurement date, the spot exchange rate must be estimated. In addition, they provide guidance on how to assess interchangeability between currencies and how to determine the spot exchange rate when interchangeability is absent. When the spot exchange rate is estimated because a currency is not exchangeable for another currency, information must be disclosed to allow the understanding of how the currency not exchangeable for another currency affects, or is expected to affect, the statements of income, the statement of financial position and the statements of cash flows. The amendments are effective January 1, 2025, with specific transition rules.

(b) Effective as from January 1st, 2023

- **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2**

  The Company adopted *Disclosure of Accounting Policies* (*Amendments to IAS 1 and IFRS Practice Statement 2*) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in the notes to the financial statements in certain instances, in line with the amendments.

- **Amendments to IAS 12 - OECD Pillar Two Rules**

  In December 2021, the Organization for Economic Co-operation and Development ("OECD") released the Pillar Two model rules to reform international corporate taxation. Multinational economic groups within the scope of these rules are required to calculate their effective tax rate in each country where they operate, the "GloBE effective tax rate". When the effective GloBE rate of any entity in the economic group, aggregated by jurisdiction where the group operates, is lower than the minimum rate defined at 15%, the multinational group must pay a supplementary amount of tax on profit, referring to the difference between its rate effective GloBE and the minimum tax rate. In May 2023, the IASB made amendments to IAS 12 - Income Taxes, which provide a temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. There were no financial effects of adoption of this Standard.

- **Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

  The change is effective for annual years beginning on or after January 1, 2023, and required the recognition of a deferred tax asset and a deferred tax liability when a single transaction generates taxable and deductible temporary differences at the same time. There were no financial effects of adoption of this Standard.

5. Cash and cash equivalents

Cash and cash equivalents include the following:

	12/31/2023	12/31/2022
Cash	52,888	39,546
Short-term investments	11,515	56,808
	64,403	**96,354**

In 2023 short-term investments refer to fixed income investments indexed to 94.78% p.a. of the Brazilian interbank deposit certificate (CDI) with immediate liquidity (none in 2022). Additionally, the Company has short-term investments in Canada (denominated in United States Dollars) with an approximate yield of 5.50% p.a. (3.98% p.a. on December 31, 2022).

Accounting policy

Cash and cash equivalents in the consolidated statement of financial position comprise cash in banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. Transactions in currencies other than the functional currency are translated at the dates prevailing on each date the transactions occur, and the cash balances are translated at the exchange rates prevailing at the end of the reporting period. Any translation differences are recognized in other comprehensive loss.

6. Trade accounts receivable

	12/31/2023
Accounts receivable from customer	95,922
Provisional pricing adjustment	(66,229)
	29,693

The Company's operations include accounts receivables where the final selling price is established approximately 105 days after product delivery and revenue recognition.

Trade accounts receivable is subject to significant market price changes until the final selling price is settled. The Company monitors the futures market for lithium to estimate the final prices when the quotational periods of the contracts close. As a result, accounts receivable on December 31, 2023 have been estimated and adjusted to the relevant forward market prices (see Note 24).

Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value.

Trade receivables include provisionally priced invoices. The related revenue is initially based on forward market selling prices for the quotational periods stipulated in the contracts with changes between the provisional price and the final price recorded in revenues. For contracts with variable pricing dependent on the content of mineral in the product delivered, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products.

The final invoices are generally issued after receipt and analysis of the commodities (approval of quantities, moisture and content of the mineral contained by the customer) and accounts receivables are then remeasured according to each contract.

The fair value of the sale price adjustment is reassessed at each reporting date, based on all variable pricing elements.

The Company periodically measures expected credit losses. The Company considers the history and financial conditions of its customer. The Company did not recognize any credit losses in these consolidated financial statements.

7. Inventories

	12/31/2023
High grade lithium concentrate	1,366
By-product lithium concentrate	9,132
Total finished goods	**10,498**
Work in progress	925
Consumable	882
	12,305
Spare parts	7,137
Total	**19,442**

The Company began production in the 2nd quarter of 2023 to fulfill commitments (sales) that started in July 2023. Finished goods refer to High grade lithium concentrate and By-products lithium concentrate.

Spare parts refer to parts and equipment to be used in the short-term maintenance of the machinery and equipment. As of December 31, 2023, the Company has not identified any need to recognize losses on obsolete or slow-moving inventory.

Accounting policy

The inventory is recorded at the lower of cost or net realizable value. The cost is determined using the weighted average cost method for the purchase of materials. The cost of finished goods and work in progress comprises of consumable materials, labor and other direct costs (based on normal production capacity). The net realizable value is the estimated selling price in the ordinary course of business, minus the estimated costs of completion and the estimated costs necessary to realize the sales.

8. Advance to suppliers

On December 31, 2023, the Company had outstanding balances for advances with domestic and foreign suppliers and for freight forwarders in the amount of $7,062 ($1,624 on December 31, 2022).

9. Recoverable VAT and other taxes

	12/31/2023	12/31/2022
ICMS (State VAT)	1,870	—
Social contribution on billings - PIS and COFINS	14,814	—
Other recoverable taxes	998	419
	17,682	**419**

Accounting policy

The outstanding balance of recoverable VAT and other taxes is expected to be recovered over the next 12 months, based on the analysis and budget projections approved by management.

10. Collateral and guarantees

On December 31, 2023, the Company had advanced the amount of $ 15,269 as collateral related to the obligation to pay interest on export prepayment contract loans for the development of industrial plant (Note 15). The amounts are determined based on an estimate of the loan interest expected for the first twelve-month period established in the loan agreement. The settlement of the collateral will occur at the maturity of the agreement together with its final settlement.

11. Property, plant and equipment

Composition of Property, plant and equipment

	Assets Under Construction	Buildings	Machinery and equipment	Right of use assets	Mining rights	Pilot plant	Other assets	Total
December 31,2021								
Cost	30,051	—	—	2,458	—	184	379	33,072
Depreciation and depletion	—	—	—	(206)	—	(49)	(133)	(388)
Net, Property, plant and equipment	**30,051**	**—**	**—**	**2,252**	**—**	**135**	**246**	**32,684**
Additions	118,187	—	—	1,416	—	—	111	119,714
Asset retirement cost	2,652	—	—	—	—	—	—	2,652
Write-off	—	—	—	—	—	(202)	—	(202)
Disposal – Depreciation						75		75
Depreciation and depletion	—	—	—	(483)	—	(20)	(49)	(552)
Foreign currency translation adjustment of subsidiaries - Cost	3,878	—	—	314	—	18	48	4,258
Foreign currency translation adjustment of subsidiaries – Depreciation and depletion				(33)		(6)	(16)	56
December 31,2022	154,768	—	—	4,188	—	—	538	159,494
Cost								
Depreciation and depletion	—	—	—	(722)	—	—	(198)	(920)
Net, Property, plant and equipment	**154,768**	**—**	**—**	**3,466**	**—**	**—**	**340**	**158,574**
Additions	—	79	77,313	4,823	644	—	717	83,576
Disposal	—	—	—	(1,780)	(1,425)	—	(32)	(3,237)
Transfers	(154,768)	75,572	39,553	—	39,779	—	(136)	—
Foreign currency translation adjustment of subsidiaries	—	598	9,819	601	522	—	21	11,561
Depreciation and depletion	—	(2,227)	(3,795)	(1,536)	(3,090)	—	(84)	(10,732)
Net, Property, plant and equipment	**—**	**74,022**	**122,890**	**5,574**	**36,430**	**—**	**826**	**239,742**
December 31,2023								
Cost	—	76,249	126,685	7,799	39,520	69	1,092	251,414
Depreciation and depletion		(2,227)	(3,795)	(2,225)	(3,090)	(69)	(266)	(11,672)
Net, Property, plant and equipment	**—**	**74,022**	**122,890**	**5,574**	**36,430**	**—**	**826**	**239,742**

a) The average estimated useful lives are as follows (in years):

Description	12/31/2023
Buildings	26
Machinery and equipment	18
Right of use assets	3
Mining rights	8
Other assets	5

b) Assets under construction

In the second quarter of 2023, the Company concluded the construction phase of the plant and mine development and transferred the assets classified as “assets under construction” to “Buildings”, “Machinery and equipment” and “mining right”.

c) Capitalized stock-based compensation

The assets under construction include the amount of $ 919 related to capitalized RSUs year ended December 31,2023 (year ended December 31, 2022 - $2,404).

d) Founder’s royalty option

The Amilcar Royalty Agreement is a royalty of the gross revenues from sales of minerals extracted from the Lithium Properties. Sigma Brazil had the option to repurchase the Amilcar Royalty Agreement (currently Amilcar de Melo Afgouni – former shareholder), exercisable at any time.

In 2022 the royalty agreement option was recorded as current liability in the consolidated statement of financial position and as expense in the consolidated statement of loss. Considering that the instrument contains such contingent settlement provisions the issuer does not have the unconditional right to avoid making payments. Therefore, the instrument is a financial liability. Additionally, as the call and put features can significantly modify the cash flows, the royalty was measured at fair value through profit and loss. As of December 31, 2022, this option amounted to $5,081 (equivalent to US$ 3,800). Further in 2023, due to the advancement of the Company’s wholly owned Grota do Cirilo lithium project, the Company exercised the option on April 13, 2023 at its fair value for $5,372.

e) Right of use assets

Right of use assets is comprised of land and machinery and equipment made available on site exclusively for the Company. The Company considers as right of use those contracts longer than 12 months which assets have individual amounts greater than $6.6.

f) Depreciation and depletion

Reconciliation of depreciation and depletion for the year	12/31/2023	12/31/2022
Operating costs and general and administrative expenses	7,547	102
Inventories	2,657	—
Deferred exploration and evaluation expenditure	528	450
	10,732	**552**

g) Impairment of non-financial assets

The Company considered that there were no triggering events that could have indicated the existence of impairment loss of its non-financial assets. The Company continuously operated with positive margins during 2023 and, accordingly, no impairment loss was recognized.

Accounting policy

The property, plant and equipment are recorded at acquisition, formation or construction cost less accumulated depreciation or depletion and impairment. Depreciation is calculated using the straight-line method based on the remaining useful life of the assets, whichever is the shorter. Mining rights is calculated based on the volume of ore extracted.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from an asset disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of net loss and comprehensive loss.

Where an item of equipment consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Non-financial assets are reviewed for impairment whenever trigger events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset´s carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

Assets under construction

Assets under construction are capitalized as work-in-progress until the asset is available for use. The cost of work-in- progress includes costs transferred from Deferred exploration and evaluation expenditure and any costs directly attributable to bringing the asset into working condition for its intended use. Directly attributable costs are capitalized until the asset is in a location and condition necessary for operation as intended by management. These costs include: the purchase price, installation costs, site preparation costs, research and development costs, freight charges, transportation insurance costs, duties, testing and preparation charges, borrowing costs and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Costs incurred on mineral properties in the development stage are included in the carrying amount of the development project in assets under construction. Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves or mineral resources and provide facilities extracting, treating, gathering, transporting, and storing the minerals. All expenditures incurred during the development stage until the asset is ready for its intended use are capitalized.

Assets under construction are not depreciated. When an asset becomes available for use, its costs are transferred from assets under construction into the appropriate asset classification such as mineral properties, buildings, machinery, fixture, and plant. Depreciation commences once the asset is complete and available for use.

12. Deferred exploration and evaluation expenditure

A summary of exploration costs is set out below:

	12/31/2023	12/31/2022
Opening balance	**35,636**	**7,771**
Exploration and feasibility investments	23,478	14,692
Share based compensation of exploration and feasibility personnel	16,424	8,528
Additions	39,902	23,220
Asset retirement cost	(2,823)	3,670
Foreign currency translation adjustment of subsidiaries	1,540	975
Closing balance	**74,255**	**35,636**

Accounting policy

The Company capitalizes all costs relating to the acquisition and exploration of mineral rights. Such costs include, among others, geological, geophysical studies, exploratory drilling and sampling, feasibility studies and technical reports. The carrying value of the Company's Deferred exploration and evaluation expenditure is assessed for impairment when indicators of such impairment exist. Indicators may include the loss of the right to explore in the area; the Company deciding not to continue exploring or incurring substantial additional expenditures on the project; or it being determined that the carrying amount of the project is unlikely to be recovered by its development or sale. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any.

Deferred exploration and evaluation expenses represent mineral rights developed by the Company, which have not been confirmed as technically and commercially viable through technical reports. When confirmed, deferred exploration and evaluation expenses will be transferred to each operating asset they pertain in accordance with their nature.

The Company capitalizes the depreciation of lease contracts on certain properties in order to explore and evaluate the mineral properties as part of the exploration and evaluation expenditures.

13. Related parties' transactions

A summary of related parties is set out below:

Related Party	Nature of relationship
A10 Group	A10 Group is composed of: (a) A10 Investimentos Ltda.; (b) A10 Finanças e Capital Ltda. ("A10 Finanças"); (c) A10 Partners Participações Ltda.; (d) A10 Serviços Especializados de Avaliação de Empresas Ltda. ("A10 Advisory"); and (e) A10 Serviços de Análise de Empresas e Administrativos Ltda.
A10 Investimentos Ltda.	A10 Investimentos Ltda. is an asset management firm controlled by Marcelo Paiva, a Director of the Company, who is the investment manager of the A10 Fundo de Investimento de Ações – Investimento no Exterior ("A10 Fund"), which holds a controlling position in the Company.
A10 Finanças	A10 Finanças is primarily a holding company. The firm is controlled by Marcelo Paiva, a Director of the Company.
A10 Partners Participações Ltda.	A10 Partners Participações Ltda. is a holding company. The firm is controlled by Marcelo Paiva, a Director of the Company, and had no transactions with the Company before or during the year 2023.
A10 Advisory	A10 Advisory is an administrative services firm controlled by Marcelo Paiva, a Director of the Company. The CEO, Ana Cabral-Gardner (Co-CEO on December 31, 2022), has a minority interest.
A10 Serviços de Análise de Empresas e Administrativos Ltda.	A10 Serviços de Análise de Empresas e Administrativos Ltda. is an administrative services firm controlled by Marcelo Paiva, a Director of the Company, and had no transactions with the Company before or during the year 2023.
Miazga	Miazga Participações S.A is a land administration company in which Ana Cabral-Gardner, the CEO of the Company (Co-CEO on December 31, 2022), has an indirect economic interest.
Arqueana	Arqueana Empreendimentos e Participações S.A. is a land administration company in which Ana Cabral-Gardner, the CEO of the Company (Co-CEO on December 31, 2022), has in indirect economic interest.
R-TEK	R-TEK Group Pty Ltd is a corporation in which a former officer of the Company, Brian Talbot, who resigned on September 29, 2023 is the controlling shareholder and since 4th quarter it was not considered as related party anymore.
Tatooine	Tatooine Investimentos S.A. is a land administration company in which an officer of Miazga and former officer of the Company, Marina Bernardini, is the controlling shareholder and officer.
Key management personnel	Includes the directors of the Company, executive management team and senior management at Sigma Brazil.

a) Transactions with related parties

Cost sharing agreements ("CSAs"): The Company has CSAs with A10 Advisory and A10 Finanças, whereby the firms are reimbursed for certain expenses: (i) the cost of administrative personnel that is 100% allocated to the Company; (ii) the rental of office space that was formerly occupied by A10 Advisory and that is now fully used by the Company; (iii) health insurance expenses of former A10 Advisory staff now employed by the Company; and (iv) any relatively minor expenses of the Company that may be paid by one of the firms for later reimbursement by the Company.

Leasing Agreements: The Company has right-of-way lease agreements with Miazga and Arqueana relating to access to the industrial plant. See note 16.

Note Payable: The Company fully repaid the final installment of $0.3 million to Arqueana in March 2022.

Accounts receivable (Miazga): This receivable refers to Miazga's purchase of property located in the area of interest of the Project (the "Property"). Sigma Brazil paid for that purchase on behalf of Miazga for future reimburse. The purpose of this purchase of property is to be further transferred to authorities for environmental compensation purposes. This receivable provides for an amount up to Brazilian Reais R$0.8 million (equivalents to $0.2 million), which is the amount spent on the purchase of the property. This receivable is non-interest bearing. Both the purchase agreement and this receivable are divided into two installments, with the first installment paid on December 31, 2022, and the last installment to be paid once the property has successfully been transferred to Miazga.

Accounts receivable (Arqueana): The Company paid for drilling services provided by a third party that were performed on Arqueana's land. These amounts are unsecured and are non-interest bearing. The amount was fully repaid in March 2023.

Accounts receivable (Tatooine): On April 20, 2023, Sigma Brazil entered into a facility agreement with Tatooine, to fund Tatooine's purchase of multiple properties located in areas of interest of the Company. The facility agreement provides for the loan of an amount up to $15.9 million. The facility agreement is to be made available upon utilization requests made by Tatooine to Sigma Brazil, specifying the amount to be utilized by Tatooine for the acquisition of each property and its corresponding expected costs and expenses. The loan granted by Sigma Brazil to Tatooine under the Facility Agreement at December 31, 2023 represents a total amount of $12,957, bearing 12% p.a. interest. date.

b) Transactions with related parties

	12/31/2023			12/31/2022		
Description	Pre-payments / Receivable	Accounts payable / Debt	Expenses / Payments / Income	Pre-payments / Receivable	Accounts payable / Debt	Expenses / Payments / Income
A10 Advisory						
CSA	—	—	391	—	—	122
Miazga						
Lease agreements	—	42	16	—	42	7
Prepaid land lease	96	22	—	103	13	51
Accounts receivable	121	—	—	113	—	—
Arqueana						
Lease agreements	—	235	24	—	225	43
Note payable	—	—	—	—	—	326
Accounts receivable	—	—	—	4,881	—	—
R-TEK						
Services provision	—	—	2,278	—	242	1,142
Tatooine						
Loan to related party	12,957	—	638	—	—	—
Total	**13,174**	**299**	**3,347**	**5,097**	**522**	**1,691**

c. Key management personnel

The compensation paid or payable to key management for employee services is shown below:

	12/31/2023	12/31/2022
Stock-based compensation, included in operating expenses (Note 28)	24,337	95,398
Salaries, benefits and director's fees, included in general and administrative expenses	1,152	1,966
Salaries, benefits and stock-based compensation capitalized in property, plant and equipment and in exploration and valuation assets		3
Severance costs	—	46
Total Compensation	**25,489**	**97,413**

Key management includes the directors of the Company, executive management team and senior management at Sigma Brazil.

Accounting policy

The related party transactions are recorded at the exchange amount transacted as agreed between the Company and the related party. All the related party transactions have been reviewed and approved by the independent directors of the Company.

14. Suppliers

On December 31, 2023, the Company's outstanding balance was $59,826 ($24,307 on December 31, 2022).

Accounting policy

These amounts represent outstanding liabilities for goods and services provided to the Company prior to year-end. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

15. Loans and Export Prepayment

Description	12/31/2023	12/31/2022
Opening balances	**77,438**	**—**
Additions	92,562	82,318
Interest expense	17,272	155
Payment of interest	(475)	—
Repayment of note payable	—	—
Principal amortization	(13,336)	—
Foreign Exchange	(11,617)	(416)
Transactions costs	—	(3,951)
Transaction costs amortization	1,059	—
Foreign currency translation adjustment of subsidiary	8,003	(668)
Loans and export prepayments	**170,906**	**77,438**
Current	**28,907**	**—**
Non-Current	**141,999**	**77,438**

(a) Export Prepayment Agreement

Export Prepayment Agreement – Synergy

On December 13, 2022, the Company, through Sigma Brazil, entered into an export prepayment agreement in the amount of US$100 million (equivalent to $135.4 million), with annual interest payment based on the 12-month Bloomberg short-term bank yield index "BSBY" plus 6.95% per annum and maturing on December 13, 2026. On December 13, 2022, Sigma Brazil drew down US$60 million (equivalent to $82 million). The balance of US$40 million (equivalent to $54 million) was disbursed in two subsequent drawdowns of US$20 million each, on February 28, 2023 and on March 16, 2023.

The Company paid at inception of the agreement $10,194 as collateral, based on an amount equal to twelve months of interest accrual for the first interest period, and an upfront fee of $3,665.

Principal repayments of the Loan are due 48 days after the end of the Company's first and third quarters ending March 31 and September 30, respectively, each year, being the first measurement date, the third quarter ended September 30, 2023.

Repayments will be determined based on an amount equivalent to 50% of the Company's net cash generated from operating activities plus 50% of the net cash generated from investing activities for the prior 6-month period ended March 31 and September 30. During 2023 the Company had no net cash generated that could have triggered repayment of principal on November 18th.

The loan contains an embedded prepayment feature, whereby the Company must pay an early prepayment premium of 4% during the first year of the loan, reducing proportionately from 4% to 1% after the first anniversary, finishing at 1% at the end of the fourth year. The fair value of this embedded derivative has been estimated and does not differ significantly from the nominal amount and, accordingly, no adjustments were made, since it is closely related to the primary indexation of the loan.

The loan is guaranteed by the Company's assets, rights, licenses, receivables, contracts (with flexibility to enter/terminate/amend offtake agreements) and a pledge of 100% of Sigma Lithium Holdings Inc's share interest in Sigma Brazil. The security will rank first in respect to all existing and future indebtedness of the Company, except in relation to permitted indebtedness of up to USD100 million and R$ 100 million.

For the year ended December 31, 2023, the Company recognized interest expense in the amount of $ 16,068 paid in January 2024.

Export Prepayment Agreement – Santander

On August 31, 2023, the Company entered into an export prepayment agreement with Banco Santander S.A. (Brasil) in the amount of $12,985 which was settled in October 2023. Additionally, on October 19, 2023 the Company entered into a new export prepayment agreement with this bank in the amount of $12,720 paid in January 2024.

(b) Banco de Desenvolvimento de Minas Gerais - BDMG

The Company entered into a financing agreement with BDMG Bank. The first tranche of $ 3,084 was received on January 13, 2023, and $768 on November 14, 2023. This financing entails monthly interest payments and includes a 24-month grace period for principal amortization. Principal repayment occurs over 60 monthly installments, with the first installment due on December 15, 2024. The financing carries an annual interest rate of 3.75%.

On October 24, 2023, the Company entered into another financing agreement with BDMG Bank for $ 9,449, receiving $8,607 in December 2023. Like the previous agreement, this financing involves monthly interest payments and a 24-month grace period for principal amortization. Principal repayment is scheduled over 60 monthly installments, with the first installment due on December 7, 2024. The interest of this loan is 3.88% per annum.

Accounting policy

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as loan transaction costs of the facility amount drawn down.

Borrowings are derecognized from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Company also analyses whether there are embedded derivatives in its sales and purchase contracts, as well as in its loan agreements. Changes in the fair value of any of these derivative instruments are recognized immediately in the statement of loss, unless they are closely related to the primary indexation of the contracts and agreements.

16. Lease liability

The lease liabilities are primarily related to land leases of surface properties owned by Miazga Participações S.A., ("Miazga"), a related party and Arqueana, a related party (note 13) being the remaining lease contracts for land, apartments and houses, commercial rooms and vehicle leases with third parties.

The lease agreements have terms between 1 year to 12 years and the liability was measured at the present value of the lease payments discounted using interest rates with a weighted average rate of 8.37% (December 2022: 8.37%) which was determined to be the Company's incremental borrowing rate.

The changes in lease liabilities are shown in the following table:

Description	12/31/2023	12/31/2022
Opening balances	**3,669**	**2,321**
Additions	4,823	1,415
Interest expense	456	329
Disposal	(1,738)	—
Payments	(1,423)	(688)
Others	(356)	—
Foreign currency translation adjustment of subsidiary	296	292
Lease Liability total	**5,727**	**3,669**
Current	**2,132**	**680**
Non-Current	**3,595**	**2,989**

Maturity analysis - contractual discounted cash flows

As of December 31, 2023	
Less than one year	2,132
Year 2	1,806
Year 3	760
Year 4	261
Year 5	245
More than 5 years	523
Total contractual discounted cash flows	**5,727**

Accounting policy

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, except for:

- Leases of low value assets;
- Leases with a duration of twelve months or less; and
- Leases to explore for minerals, oil, natural gas, or similar non-regenerative resources.

A right-of-use “ROU” asset and lease liability is recognized at the lease commencement date.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, including periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Company presents ROU assets within property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. If the interest rate cannot be readily determined, the Company's incremental interest rate of borrowing is used. The lease liability is subsequently measured at amortized cost using the effective interest method whereby the balance is increased by interest expense and decreased by lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

17. Prepayment from customer

On December 31, 2023, the outstanding balance of $2,154 refers to a prepayment of the first sale of the Company which was returned to the customer in February 2024. That amount had to be returned to the customer since it was in excess due to the price decrease of lithium after the sale was recognized.

Accounting policy

Prepayment from customers consist of amounts received in advance when purchasing the products. Advances received are recorded as a liability, represented by the contractual obligation to deliver the products.

18. Taxes payable

On December 31, 2023, the Compan y's outstanding balance was $13,704, being $13,566 in short-term and $138 in long-term ($3,070 on December 31, 2022, classified in short-term).

Accounting policy

These amounts represent the group's obligations to the Federal, State and Municipal Governments relating to taxes, fees and contributions. They are presented as current liabilities and non-current liabilities, and they are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

19. Income tax and social contributions

a. Current Income tax and social contribution recognized in profit or loss

The income tax and social contribution recognized in profit or loss for the year is as follows:

	12/31/2023
Income tax and social contribution (expense) income	
Current	(8,979)
Deferred	2,260
	(6,719)

**There were no current or deferred taxes as of December 31, 2022.*

The reconciliation of Company income tax and social contribution expenses and the result from applying the effective rate to profit before income tax and social contribution is shown below. The Company operates in the following tax jurisdictions: Brazil, where the corporate tax rate is 34% and Canada, where the federal corporate tax rate is 15% with varying provincial tax rates, such as British Columbia's 12% tax rate, which totalizes 27% income tax rate applicable to Sigma in Canada:

	12/31/2023	12/31/2022
Loss before income tax and social contribution	(31,527)	(127,210)
Statutory tax rate	27 %	27 %
Tax benefits at statutory rate	**8,512**	**34,347**
Reconciling items		
Impact of foreign income tax rate differential	(2,294)	(1,825)
Exclusion of Canadian tax credits [(1)]	(17,362)	(30,326)
Tax losses carryforward from previous years	4,324	—
Other	101	(2,196)
Current and deferred income tax and social contribution	**(6,719)**	**—**
Effective tax rate	**(21.31)%**	**—**

(1) The amount of $15,371 on December 31,2023 ($12,884 on December 31, 2022) of tax loss carryforward generated by the Company has not been recognized since we do not expect to have taxable income to offset it. This tax loss carryforward expires between 2038 and 2043.

b. Deferred income tax and social contribution:

The deferred income tax and social contribution are calculated on tax loss carryforwards and the temporary differences between the tax bases of assets and liabilities and their carrying amounts.

	12/31/2022	Income	Equity	12/31/2023
Temporary differences:				
Pre-operational expenses	—	4,586	—	4,586
Provision for bonus payments	—	57	—	57
Provision for social projects	—	508	—	508
Unrealized foreign currency fluctuation	—	(3,889)	—	(3,889)
Taxes installments program	—	153	—	153
Commission provision	—	803	—	803
Other	—	42	—	42
Foreign currency translation adjustment of subsidiaries	—	—	(190)	(190)
Total deferred tax assets	**—**	**2,260**	**(190)**	**2,070**

Accounting Policy

Current income tax and social contribution are calculated based on the tax laws enacted by the end of the reporting period, including in the countries where the Group entities operate and generate taxable income. Management periodically assesses the positions taken in the tax calculations with respect to situations where applicable tax regulations are open to interpretation. The Company recognizes provisions where appropriate, based on the estimated payments to tax authorities. The income tax and social contribution expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they are related to items recognized directly in shareholders' equity.

Current tax expense is the expected payment of taxable income for the year, using the nominal rate approved or substantially approved on the balance sheet date, and any adjustment of taxes payable related to previous years. Current income tax and social contribution are presented net as liabilities when there are amounts payable, or in assets when the amounts in advance paid exceed the total due on the date of the report.

Deferred tax is recognized in relation to temporary differences between the tax bases of assets and liabilities and their book values in the financial statements. Deferred tax is not recognized when it is probable that it will not revert in a foreseeable future in accordance with IAS 12 – Taxes on Profit. The amount of the deferred tax determined is based on the expectation of realization or settlement of the temporary difference and uses the nominal rate approved or substantially approved.

Deferred income tax assets and liabilities are presented net in the balance sheet whenever there is a legal right and the intention to offset them upon the calculation of current taxes, usually related to the same legal entity and the same taxation authority.

Deferred income tax and social contribution assets are recognized on recoverable balances of tax loss carryforward and social contribution negative basis, tax credits and deductible temporary differences. Such assets are reviewed at each year-end date and will be reduced to the extent that their realization is less likely to occur.

20. Asset retirement obligation

In December 2023 the Company updated the appraisal that resulted in a decrease of the provision by $ 4,813, mainly due to:

- review of the affected area
- cash outflow estimate update.
- updating the discount rate

The Company has estimated its asset retirement obligation amounting to $ 3,836 as at December 31, 2023 (December 31, 2022 - $6,547), representing the present value of estimated future retirement costs to remediate environmental damages as at December 31, 2023. It is based on estimated future retirement costs of $6,035 ($10,928 on December 31, 2022) a real discount rate of 5.96% (December 31, 2022 was 6.1%).

Of the $3,836 of asset retirement obligation recognized as of December 31, 2023, $ 2,504 is related to Phase I (Xuxa mine) which was classified within property, plant and equipment, and the remaining $1,332 relating to Phase II (Barreiro mine) was classified within Deferred exploration and evaluation expenditure.

Description	12/31/2023	12/31/2022
Opening balances	**6,547**	**162**
Additions	6,243	
Interest	414	18
Reversal of fixed assets	(758)	—
Reversal of exploration assets	(2,821)	—
Foreign currency translation adjustment of subsidiary	454	124
Asset retirement obligation total	**3,836**	**6,547**

Accounting Policy

Mining processing activities normally give rise to legal or constructive obligations for environmental rehabilitation and the decommissioning of facilities. These activities can include, among others, removal or treatment of waste materials and land rehabilitation, according to environmental regulations. The extent of costs associated with the retirement of assets are based on the requirements of authorities and environmental policies.

The provision reflects the risks and probability of future cash flows required to settle the obligation. The expected rehabilitation costs are estimated based on the cost of external contractors performing the work. This provision is updated each reporting period for changes to expected cash flows and for the effect of changes in the discount rate, and the change in estimate is added or deducted from the related asset and depreciated over the expected economic life of the operation to which it relates. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision.

When provisions for closure and rehabilitation are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of the future economic benefits of the operation. The capitalized cost of closure and rehabilitation activities is recognized in property, plant and equipment and depreciated over the expected economic life of the operation to which it relates.

21. Financial instruments

a) Identification and measurement of financial instruments

The Company enters into transactions involving various financial instruments, mainly cash and cash equivalents, including short-term investments, accounts receivable, accounts payable to suppliers, and loans and export prepayment, which may contain embedded derivatives.

The amounts recorded in current assets and current liabilities have immediate liquidity or short-term maturity, mostly less than three months. Considering the maturities and features of such instruments, their carrying amounts approximate their fair values.

- **Classification of financial instruments (consolidated)**

		12/31/2023		12/31/2022	
Description	Note	Measured at amortized cost	Fair value through profit and loss(*)	Measured at amortized cost	Fair value through profit and loss
Assets					
Current					
Cash and cash equivalents	5	64,403	—	96,354	—
Trade accounts receivable	6	—	29,693	—	—
Accounts receivable from related parties	13	14	—	4,984	—
Non-current					
Loan and accounts receivable from related parties	13	13,160	—	—	—
Collateral and guarantees	10	15,269	—	—	—
		92,846	**29,693**	**101,338**	**—**
Liabilities					
Current					
Suppliers	14	59,826	—	24,307	—
Accounts payable		11,326	—	1,936	—
Loans and export prepayment	15	28,907	—	—	—
Lease liability	16	2,132	—	680	—
Non-current					
Loans and export prepayment	15	141,999	—	77,438	—
Lease liability	16	3,595	—	2,989	—
		247,785	**—**	**107,350**	**—**

(*) Fair Value through profit and loss is classified as Level 2.

b) Financial risk management:

The Company uses risk management strategies which the nature and general position of financial risks are regularly monitored and managed to assess results and the financial impact on cash flow.

The Company is exposed to exchange rate, interest rate, market price, credit risk and liquidity risks.

- **Foreign Exchange rate risk**

The exposure arises from the existence of assets and liabilities generated in Dollar, since the Company's functional currency is the Brazilian Real.

The consolidated exposure as of December 31, 2023 and 2022 is as follow:

Description	12/31/2023	12/31/2022
Canadian dollars		
Cash and cash equivalents	68	—
Suppliers	(779)	—
Account payables	(6,136)	—
Other current liabilities	(67)	—
	(6,914)	**—**
United States dollar		
Cash and cash equivalents	4,557	28,704
Trade accounts receivable	22,400	—
Interest on export prepayment agreement	(11,689)	(3,800)
Export prepayment agreement	(109,644)	(60,114)
	(94,376)	**(35,210)**

- **Sensitivity analysis**

We present below the sensitivity analysis for foreign exchange risks. The Company considered probable scenario[(1)], scenarios 1 and 2 as 10%, and 20%, respectively, of deterioration for volatility of the currency, using as reference the exchange rate at December 31, 2023.

The currencies used in the sensitivity analysis and its scenarios are shown below:

	12/31/2023			
Currency	Exchange rate	Probable scenario(*)	Scenario 1 (+/-10%)	Scenario 2 (+/-20%)
CAD (+)	3.6522	3.6924	4.0616	4.4309
CAD (-)	3.6522	3.6924	3.3232	2.9539
USD (+)	4.8413	4.9962	5.4958	5.9954
USD (-)	4.8413	4.9962	4.4966	3.9970

The effects on the profit and loss, considering scenarios 1 and 2 are shown below:

	12/31/2023			
	Notional	Probable scenario (*)	Scenario 1	Scenario 2
Total Canadian dollar-denominated (+)	(6,914)	75	697	1,215
Total Canadian dollar-denominated (-)	(6,914)	75	(685)	(1,634)
Total U.S dollar-denominated (+)	(94,376)	2,926	11,240	18,168
Total U.S dollar-denominated (-)	(94,376)	2,926	(7,235)	(19,937)

(*) Sensitivity analysis of the scenario probable was measured using as reference the exchange rate, published by the Central Bank of Brazil, at March 31, 2024.

- **Interest rate risk**

This risk arises from short and long-term financial investments, financing and export prepayment linked to fixed and floating interest rates of the CDI, Selic and BSBY, exposing these financial assets and liabilities to interest rate fluctuations as shown in the sensitivity analysis framework.

- **Sensitivity analysis of interest rate variations**

The Company considered probable scenario (1), scenarios 1 and 2 of changes in interest rates volatility as of December 31, 2023.

The interest rates used in the sensitivity analysis in their respective scenarios are shown below together with the effects on the profit and loss balances:

Changes in interest rates and exchange rates		Notional	Probable scenario (*)	Scenario 1	Scenario 2
Assets					
Rate		13.04 %	10.03 %	9.03 %	8.03 %
Cash and cash equivalent	CDI (-10% and -20%)	11,515	(1,155)	(1,040)	(924)

		Notional	Probable scenario (*)	Scenario 1	Scenario 2
Liabilities					
Rate		11.65 %	11.15 %	12.27 %	13.38 %
BDMG	Selic (+10% and +20%)	(13,285)	(1,481)	(1,629)	(1,778)
Rate		5.43 %	5.40 %	5.54 %	5.67 %
Export prepayment agreement	BSBY (+2.5% and +5.0%)	(109,644)	(5,923)	(6,071)	(6,219)

(*) Sensitivity analysis of the scenario probable was measured using as reference the rates at March 31, 2024.

- **Market price risk**

Provisional pricing adjustments – The Company's products may be provisionally priced at the date revenue is recognized and a provisional invoice issued. Provisionally priced receivables are subsequently measured at fair value through profit and loss under IFRS 9 "Financial Instruments". The final selling price for all provisionally priced products is based on forward market price based on the contract terms stipulated. Final prices are normally determined approximately 105 days after delivery to the customer. The change in value of the provisionally priced receivable is based on relevant forward market prices. For contracts with variable pricing dependent on the content of mineral in the product delivered, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the products. The fair value of the final sale price adjustment is reassessed at each reporting date, based on all variable pricing elements and any changes are recognized as operational revenue in the statement of loss.

The sensitivity of the Company's risk related to the final settlement of provisional pricing accounts receivable expected to be determined during the first half of 2024 is detailed below:

	Volume (kt)	Shipment Average price	Variation	Effect on Sales Revenue
High grade lithium concentrate (Probable)	87,534	USD 1,215 / $1,611	—	—
High grade lithium concentrate (+ 20%)	87,534	USD 1,215 / $1,611	USD 243 / $322	28,186
High grade lithium concentrate (- 20%)	87,534	USD 1,215 / $1,611	(USD 243) / ($322)	(28,186)

(*) The sensitivity analysis of the probable scenario was measured using the CIF -Fastmarkets spot price of April 18, 2024 as a reference and the exchange rate is USD1.00 to $1.3256 as quoted by BACEN – Central Bank of Brazil at December 31, 2023.

- **Credit risk**

The credit risk management policy aims to minimize the possibility of not receiving sales made and amounts invested, deposited or guaranteed by financial institutions and counterparties, through analysis, granting and management of credits, using quantitative and qualitative parameters.

At December 31, 2023, the credit risk is fully concentrated on a single customer since the Company is currently developing its credit portfolio.

The Company manages its credit risk by receiving in advance a substantial portion of its sales or by being guaranteed by letters of credit.

Credit granted to financial institutions is used to accept guarantees and invest cash surpluses.

- **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due.

The Company's management of cash is focused on funding ongoing capital needs for operating the Greentech Plant, developing the Company's growth opportunities (including Phase 2) and for general corporate expenditures. Management intends to use cash generated by its operating activities to meet its obligations. To the extent the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity or debt funding.

The Company continuously monitors its cash outflows and seeks opportunities to minimize all costs, to the extent possible, as well as its general and administrative expenses.

The following table shows the contractual maturities of financial liabilities, including accrued interest.

Contractual obligations	Up to 1 year	1-3 years	4-5 years	More than 5 years	Total
Suppliers	59,826	—	—	—	59,826
Accounts payable	11,326	—	—	—	11,326
Loans and export prepayment	28,907	166,299	5,478	—	200,684
Lease liability	2,132	2,827	245	523	5,727

c) Capital Management

The Company seeks to optimize its capital structure in order to reduce its financial costs and maximize the return to its shareholders. The table below shows the evolution of the Company's capital structure, with financing by equity and third-party capital:

	12/31/2023	12/31/2022
Loans and export prepayment agreement	170,906	77,438
Shareholders' equity	214,284	183,106
Gross debts(*)/shareholders' equity	0.80	0.42

(*) Refers to loan and export prepayment agreements

d) Fair values of assets and liabilities as compared to their carrying amounts.

Financial assets and liabilities at fair value through profit or loss are recognized in current and non-current assets and liabilities, while any gains and losses are recognized as financial income or financial costs, respectively.

The amounts are recognized in these financial statements at their carrying amounts, which are substantially similar to those that would be obtained if they were traded in the market. The fair values of other long-term assets and liabilities do not differ significantly from their carrying amounts, including the export prepayment agreement and BDMG loan, since both are based on floating interest rates such as BSBY and SELIC, respectively. Given the very specific condition of the export prepayment loan, the Company was not able to quantify an equivalent loan with similar condition for the same borrower that could be considered to measure the fair value for this facility.

Accounting Policy

Recognition

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-offs occur when the Company has no reasonable expectations of recovering the contractual cash flows of a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive loss (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

(a) amortized cost.
(b) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required or,
(c) FVTOCI, when the change in fair value is attributable to changes in the Company ’s credit risk.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as amortized cost are included in the fair value of the instrument on initial recognition.

Transaction costs for financial assets and financial liabilities classified as fair value through profit or loss are expensed in profit or loss.

The Company’s financial assets consist of cash and cash equivalents, loan and accounts receivable from related parties, which are classified as amortized cost, and trade accounts receivable which are measured at fair value through profit and loss. The Company’s financial liabilities consist of suppliers, accounts payable and loan and export prepayment agreements, which are classified and subsequently measured at amortized cost using the effective interest method.

All financial instruments recognized at fair value in the consolidated statement of financial position are classified into one of three levels in the fair value hierarchy as follows:

Level 1 – Valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 – Valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.

Level 3 – Valuation techniques with significant unobservable market inputs.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

22. Share capital

a) Ownership structure

As of December 31, 2023, the Company's ownership structure is as follow:

	12/31/2023	
	Number of common shares	**% of voting capital and total shares**
A10 Fundo de Investimento de Ações	47,684,968	43.33 %
Fitpart Fund Administration Services Limited	5,462,539	4.96 %
BlackRock, Inc.	5,438,129	4.94 %
Nucleo Capital Fund	2,996,787	2.72 %
Others	48,477,048	44.05 %
	110,059,471	**100.00 %**

b) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

c) Common shares issued by the Company for the year ended December 31, 2023 and 2022:

	Number of Common shares (#)	Amount($)
Balance, January 1st, 2022	**99,377,349**	**224,820**
Exercise of warrants	532,860	3,218
Exercise of RSUs	4,759,833	48,504
Exercise of stock options	40,000	169
Balance, December 31, 2022	**104,710,042**	**276,711**
Exercise of RSUs	5,339,429	109,282
Exercise of stock options	10,000	42
Balance, December 31, 2023	**110,059,471**	**386,035**

23. Loss per share

	12/31/2023	12/31/2022
Net loss for the year	(38,246)	(127,210)
Weighted average number of common shares	107,985,916	101,017,241
Basic and diluted net loss per common shares	**(0.35)**	**(1.26)**

As the Company presents loss for the years ended December 31, 2023 and 2022, the potential common shares are antidilutive in the case of a decrease in loss per share. For this reason, the basic and diluted loss per share are equal for the years presented.

24. Sales revenue

Net revenue presented in income statement is comprised as follows:

	12/31/2023
High grade lithium concentrate	177,709
By-product lithium concentrate	3,522
	181,231

The Company's sales of high grade lithium concentrate and by-product lithium concentrate are accounted for on FOB basis. Shipment contracts for the second half of 2023 were entered into with provisional terms and are subject to adjustment depending on the variability of the underlying lithium chemical market prices. As a result, the final value at settlement may differ from initial book value, and changes in said value are monitored in the futures market and any provisional pricing adjustments are recognized as revenue in the statement of loss.

Accounting Policy

The Company's primarily generates revenue from the sales of spodumene concentrate to customers and recognizes its revenues once all the following conditions are satisfied:

- Identification of the contract for sale of goods or prevision of services.

- Identification of the performance obligations.
- Determination of the contract value.
- Determination of the value allocated to each performance obligation included int the contract; and
- At the time performance obligation is completed.

The Company recognizes revenues from sales when control of the product is transferred to customers, which generally occurs, in the case of export sales, when the product is loaded on the ship or delivered in a warehouse under control of the customers.

The export is primarily realized pursuant to the Incoterm Free on Board ("FOB"), under which the performance obligation is satisfied when the products are shipped. Cost, Insurance and Freight ("CIF") and Cost and Freight ("CFR") are also regularly assessed. CIF and CFR include sea freight service embedded in the same invoice. In this case, the performance obligation of the sea freight service is considered separately from the shipment of lithium and the Company recognizes revenue from the provision of this service upon delivery of the goods to the destination specified by customers.

Operating revenue from the sale of goods in the regular course of business is measured at the fair value of the consideration entity expects to receive in exchange for the delivery of the goods or services promised to the customers. Accordingly, until the quotational period is closed, the Company's sales are subject to provisional pricing adjustments and revenues are estimated based on prices of the futures market for lithium expected until the agreed upon settlement date.

For the portion of the Company's lithium export sales pursuant to the Incoterms "Cost, Insurance and Freight – CIF" and "Cost and Freight – CFR", the obligation to pay for the goods and the sea freight service, which is embedded in the same invoice, generally arises when the product is loaded on the ship. The Company hires and, in some cases, pays the sea freight service in advance, the amount paid is recognized as an asset, advance to suppliers, until arrival at the port of destination, at which time it is recognized in the Profit and Loss as freight expense.

Concurrently, the Company recognizes the price of the sea freight service, for which it is responsible, as liabilities on Advance from customers, until arrival at the port of destination, at which time the Company fulfills its performance obligation for the sea freight service and, thus, recognizes the revenue for the provision of this service.

25. Costs and expenses by nature

a) Cost of goods sold

Mining costs	12/31/2023
Salaries and benefits	(1,074)
Mining service providers	(18,786)
Blasting and fuels	(8,924)
Equipment rental	(752)
Depletion	(3,084)
Other	(202)
	(32,822)

Processing costs	12/31/2023
Salaries and benefits	(6,423)
Fuels	(4,072)
Consumables	(15,048)
Equipment rental	(3,067)
Depreciation	(4,287)
Taxes and fees	(358)
Power supply	(765)
Plant services	(2,278)
Other	(2,452)
	(38,750)

Distribution costs	12/31/2023
Freight	(12,744)
Insurance	(133)
Warehouse	(455)
Port Operations	(2,263)
	(15,595)
Royalties (*)	(5,168)
Total	**(92,335)**

(*) Applicable Royalties:

i.) 2.0% Compensação Financeira pela Exploração de Recursos Minerais (CFEM), a royalty on mineral production levied by the Brazilian government, payable on the gross revenue from sales of minerals extracted from the Lithium Properties.

ii.) A royalty (currently held by LRC LP I, an unrelated party) of 1% of Net Revenues from sales of minerals extracted from the Lithium Properties.

b) General and administrative expenses

	12/31/2023	12/31/2022
Salaries and benefits (Board, CEO and CFO)	(1,122)	(329)
Salaries and benefits (Staff)	(13,313)	(2,420)
Legal	(9,624)	(2,135)
Travel	(3,958)	(1,366)
Accounting services	(1,303)	(449)
Audit services	(2,244)	(864)
Insurance (D&O)	(4,761)	(1,518)
Marketing, business development and investor relations	(3,454)	(2,504)
Taxes and fees	(1,886)	(1,115)
Advisory services	(5,377)	—
Demurrage/Transport	(1,649)	—
Insurance	(1,025)	—
Depreciation	(176)	(102)
Other	(4,506)	(3,160)
	(54,398)	**(15,962)**

26. Other operating income (expenses), net

	12/31/2023	12/31/2022
Income		
Leases (contract termination)	106	—
Others	113	—
	219	—
ESG ("Environmental Social Governance") expenses		
Salaries and benefits (ESG)	(2,266)	(644)
Reversal of accrual liabilities	768	
Social programs	(5,061)	—
	(6,559)	**(644)**
Others	(317)	(1,048)
	(6,876)	**(1,692)**
	(6,657)	**(1,692)**

Financial income (expenses), net

	12/31/2023	12/31/2022
Financial income	3,360	463
Financial expenses		
Interest on Loans and export prepayment	(15,245)	(329)
Interest and late payment penalties on taxes	(1,945)	—
Interest expenses on leases	(456)	—
Taxes on foreign currency transactions	(2,472)	(82)
Accretion and interest on asset retirement obligation	(731)	(15)
Other expenses	(696)	—
	(18,185)	**(426)**
Foreign exchange variation on net assets	**8,292**	**6,879**
	(9,893)	**6,916**

Accounting Policy

Revenue is represented by gains on changes in the value of financial assets and liabilities measured at fair value through profit or loss, as well as interest income obtained through the effective interest method.

Interest income is recognized in profit or loss using the effective interest method.

Financial expenses basically include interest expenses on loans and changes in the value of financial assets and liabilities measured at fair value through profit or loss. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized along with the investment

.

27. Stock-based compensation

(a) Restricted share units (RSU)

The Company's Board of Directors has adopted an Equity Incentive Plan. The Equity Incentive Plan received majority shareholder approval in accordance with the policies of the TSXV at the annual and special meetings of the Company's shareholders held on June 28, 2019, and was last amended, by a majority of votes in a shareholders' meeting held on June 30, 2023. The Equity Incentive Plan is available to (i) the directors of the Company, (ii) the officers and employees of the Company and its subsidiaries and (iii) designated service providers who spend a significant amount of time and attention on the affairs and business of the Company or a subsidiary thereof (each, a "Participant"), all as selected by the Company's Board of Directors or a committee appointed by the Company's Board of Directors to administer the Equity Incentive Plan (the "Plan Administrators").

Under the approved Equity Incentive Plan a total of 18,120,878 RSUs could be granted and converted into shares, out of which 15,742,322 RSUs have already been granted or issued. A total of 2,378,556 RSUs remains available for new grants. The exercise of RSUs is typically either milestones driven (e.g. commissioning of the Greentech plant or achievement of financial targets) or has calendar weighted vesting schedules.

	Number of RSUs
Balance, January 1st, 2022	**7,422,667**
Exercised	(4,759,833)
Granted (1) (2) (3) (4) (5) (6) (7) (8)	3,429,832
Balance, December 31, 2022	**6,092,666**
Exercised (9)	(5,339,429)
Forfeited (10)	(1,384,003)
Granted (11) (12) (13) (14)	2,891,288
Adjustment (15)	(896,862)
Balance, December 31, 2023	**1,363,660**

(1) On September 8, 2021, the Board granted an aggregated 5,000,000 RSUs to the CEO and to a director, who was Co-CEO on December 31, 2022, of the Company (2,500,000 RSUs to each), which vested in four tranches upon the achievement of specified market capitalization targets as follows:

Tranche	Number of RSUs	Market Conditions Vesting Milestones
a.	1,000,000	Increase of market cap to $ 1.3 billion
b.	1,000,000	Increase of market cap to $ 1.55 billion
c.	1,000,000	Increase of market cap to $ 1.8 billion
d.	2,000,000	Increase of market cap to $ 2 billion
	5,000,000	

An additional aggregate of 1,000,000 RSUs will vest (500,000 RSUs to the CEO and 500,000 to the director, who was Co-CEO on December 31, 2022, of the Company) upon approval by the Board of the plan to achieve a net zero carbon target and its subsequent successful execution. Since the Board has not yet approved the plan to achieve the net zero carbon target, the Company has not accrued the additional aggregate of 1,000,000 RSUs.

(2) On April 5, 2022, the Compensation Committee, delegated by the Board, approved the grant of 50,000 fully vested RSUs to a key consultant of the Company.

(3) On July 20, 2022, the Board approved the grant of 1,000,000 RSUs to the COO of the Company. These RSUs vest upon the achievement of specific operational goals ("milestones"). These RSUs contain certain non-market performance conditions and were valued using the Company's share price on grant date. Such performance conditions relate to the achievement of the plant commissioning within a specific forecast, as well as the production of spodumene concentrate with detailed specification throughout a certain period of time. The Company considers that the likelihood of achievement of the milestones is probable, as result such RSUs have been fully accounted for and valued using the share price on the grant date.

(4) On August 5, 2022, the Company entered into a consulting agreement with an individual, where a total amount of 250,000 RSUs were awarded, being 120,000 immediately vested RSUs, 65,000 RSUs vesting on October 10, 2023 and 65,000 RSUs vesting on October 10, 2024, all of which are subject to Board approval and confirmation by the Compensation Committee, delegated by the Board.

(5) On October 28, 2022, the Compensation Committee, delegated by the Board, approved the grant of 1,332,332 fully vested RSUs to key employees, directors and designated service providers of the Company. These RSUs were previously accounted for and adjusted once the Compensation Committee approved the grant.

(6) On December 1, 2022, the Company entered into compensation agreements with four of its directors, where they were awarded a total of 295,000 RSUs. Out of this total, 235,000 RSUs were subject to time based vesting and 60,000 RSUs will vest on the achievement of an increase in the market capitalization of the Company to US$4 billion, conditional on the approval by the Compensation Committee, as delegated by the Board. Therefore, the Company has used a Monte Carlo Simulation methodology to determine the grant date fair value of the 60,000 RSUs which incorporated the following assumptions:

Risk-free rate	2.83 %
Expected equity volatility	73.33 %
Share price	44.84
Expected dividend rate	0.00 %
Probability of success	85.42 %

(7) For 2,382,332 RSUs, upon receiving Board of Directors and Compensation Committee approval, the Company revised the earlier fair value estimate so that the amounts recognized for services received in respect of the grant are based on the grant date fair value. As 1,047,500 of RSUs are subject to Board of Directors and Compensation Committee approval, the Company valued the RSUs based on fair value at December 31, 2022. Once a grant date under IFRS has been established, the Company will revise the earlier estimate so that the amounts recognized for services received in respect of the grant are based on the grant date fair value.

(8) For the year ended December 31, 2022, the weighted average grant date fair value of RSUs amounted to $36.34.

(9) As per note (1) above, out of the total number of RSUs exercised in 2023, 2,500,000 RSUs are related to a package granted on September 8, 2021 to the CEO upon the achievement of a certain market capitalization targets. An additional 525,000 RSUs were exercised on December 29th, 2023 by the CEO and Co-Chair related to the achievement of net zero carbon targets ("**Net Zero Plan**"). This package was granted on September 8th, 2021 with the exercise based on the Board meeting held August 29th, 2023.

(10) The amount includes 500,000 RSUs granted to a former director (Calvyn Gardner) and related to the conclusion of the Net Zero Plan, given that such director left the Company before the successful execution of the plan. An additional 600,000 RSUs originally granted to a former officer (Brian Talbot), as per note (3) above, were forfeited as he resigned as of September 29th, 2023 before completion of the respective vesting.

(11) On June 29, 2023, the Compensation Committee, delegated by the Board approved the grant of an additional package of 384,925 RSUs to directors of the Company, being (i) 159,925 RSUs subject to time-based vesting, immediately vested; (ii) 60,000 RSUs subject to the achievement of a market capitalization of US$ 4 billion by the Company, immediately vested; (iii) 130,000 vested as a cessation of directorship compensation; (iv) and 35,000 subject to time-based vesting, to vest in June,2024. In relation to that grant, 122,500 RSUs were exercised in 2023.

(12) On September 11, 2023, the Board approved the grant of 146,500 RSUS to the new independent directors of the Company for their 2023/2024-year mandate, as recommended by the Compensation Committee. The 146,500 RSUs are broken down as follows: 60,000 RSUs for Directorship, 26,500 RSUs for Committee Chairmanship or Membership and 60,000 RSUs subject to certain performance metrics that have not been achieved on Dec 31, 2023.

(13) Out of the total amount of RSUs granted in 2023, 1,023,000 have been accounted as granted due to the existence of a written shared understanding between the awardee and the Company in relation to the packages to be submitted for formal approval by the Board and Compensation Committee. For these packages, the Company valued the RSUs based on fair value as of December 31, 2023. Once a grant date under IFRS has been established, the Company will revise the earlier estimate to reflect the approved grant date fair value.

(14) For the year ended December 31, 2023, the weighted average grant date fair value of RSUs amounted to $22.25.

(15) Out of the total amount of RSUs granted in 2023, 896,862 were previously accounted as granted in 2022 due to the existence of a written shared understanding between the awardee and the Company in relation to the packages.

The total stock-based compensation for the year ended December 31, 2023, in shareholders' equity was $ 64,330 ($121,040 on December 31,2022), being $46,990 ($110,108 on December 2022) recorded as stock-based compensation expense and the remaining portion, recorded in Deferred exploration and evaluation expenditure, was $16,421 ($8,528 on December 31,2022) and property, plant and equipment was $ 919 ($2,404 on December 31,2022).

The summary of RSUs granted in 2023 is below:

	Number of RSUs
Granted to previous board of directors	384,925
Four independent directors elected on June 30, 2023	146,500
CEO and board member (2021 net zero carbon plan)	525,000
Employees, service providers, and consultants	1,834.863
Total granted in 2023	**2,891,288**

(b) Stock options

On April 12, 2022, the Company entered into an investor relations agreement with a service provider, where a total of 100,000 stock options were awarded, which have not yet received Board approval, or confirmation by the Compensation Committee, delegated by the Board. As of December 31, 2022, 110,000 stock options had been awarded of which 10,000 had been approved and were exercised in October 2023. The Company has used a Black-Scholes valuation methodology to determine the fair value of the stock options throughout the period, with the following assumptions:

	12/31/2023	12/31/2022
Risk-free rate	3.53 %	2.52 %
Expected equity volatility	58.21 %	57.63 %
Average share price	45.12	32.18
Expected dividend rate	—	—

Movements in stock options are summarized below:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022[1]	**110,000**	**—**
Exercised [2]	(10,000)	2.23
Balance, December 31, 2023	**100,000**	**$ 29.84**

(1) 10,000 options at $2.23 and 100,000 options at $14.65.

(2) 10,000 options were exercised on October 17, 2023, when the market price was $ 39.40.

The following table reflects the stock options issued and outstanding as of December 31, 2023:

Expiry date	Exercise price ($)	Weighted average remaining exercisable life (years)	Number of options outstanding	Grant date (exercisable) fair value
April 12, 2027	$ 29.84	3.3	100,000 [1][2]	$ 29.84

(1) 100,000 exercisable on December 31, 2023

(2) Such amount has not yet received Board approval, or confirmation by the Compensation Committee, delegated by the Board.

During the year ended December 31, 2023 the Company recorded $ 1,519 ($1,472 on December 31, 2022) in relation to stock-options in stock-based compensation expense.

Accounting Policy

Under the Company's equity incentive plan (the "Equity Incentive Plan"), selected participants are granted stock options ("Options") and/or restricted share units ("RSUs"). Each RSU represents the right to receive one common share upon completion of any applicable restricted period (vesting). RSUs are measured at fair value on the grant date. Such equity-settled share-based payment transactions are not remeasured after the grant date's fair value has been determined. The RSU compensation expense is recognized on a straight-line basis over the vesting period using a graded amortization schedule, with a corresponding charge to Share - based payment reserve capitalized as part of the cost of property, plant and equipment or Deferred exploration and evaluation expenditure for those who are working directly on the project.

Compensation expense for RSUs incorporates an estimate for expected forfeiture rates based on historical forfeitures.

The fair value of share-based payments related to options is measured at grant date and recognized over the period during which the options vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of shares issuable in respect of options that are expected to vest.

Share-based payments that are subject to market-based conditions consider the market-based condition in the valuation on the grant date using a Monte Carlo simulation model. Compensation expense is not adjusted if the market condition is not met, so long as the requisite service is provided. Compensation expense is recognized over the vesting period which is based on the estimated date when the market-based condition will be achieved.

For share-based payments that are subject to performance-based conditions, vesting of the awards depends on meeting certain performance-based milestones. At each reporting date, the Company considers whether achievement of a milestone is probable and, if so, records compensation expense based on the portion of the service period elapsed to date with respect to that milestone, with a cumulative catch-up, net of estimated forfeitures. The Company will recognize remaining compensation expense with respect to a milestone, if any, over the remaining estimated service period.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration are identified but cannot be reliably measured, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods and services received.

28. Commitments

a) Purchase contracts

On December 31, 2023, the Company was a party to operating purchase contracts, measured at nominal value in accordance with the contracts:

Nature of supplier	1 year	2 - 3 years	4 - 5 years	Total
Carbon credits	1,017	2,034	1,610	4,661
Energy acquisition	72	59	33	164

b) Social projects

On December 31, 2023, the amounts incurred with social projects are as follows:

	December 31, 2023
Microcredit For Female Entrepreneurs (Donations)	260
Zero Drought for Small Holder Farmers	251
Water For All	770
Zero Hunger Action	69
Being a Child Program	51
Others	30
	1,431

- **Microcredit Program:** The Company has established the program's incentive, which is basically a donation, targeted for female entrepreneurs in the Jequitinhonha Valley region. Through this program, the Company encourages sustainable development by providing R$2,000 donation per qualifying individuals and providing mentorship programs.

- **Zero Drought for Small Holder Farmers Program:** The Company announced during its participation at COP-27 in Egypt its "Zero Drought for Smallholder Farmers" program, a climate mitigation initiative of building 2,000 rainwater capture basins for smallholder family farmers in the municipalities of Itinga and Araçuaí in the Jequitinhonha Valley. The Company is delivering the structures to the municipalities as a donation, which are currently being built via third-party contractors under the supervision of Sigma Lithium's ESG teams. The amount charged as expense in 2023 is $909, remaining $251 outstanding in current liabilities as of December 31, 2023. This program advances the goal of UN SDG #10 (Reduced Inequalities), UN SDG #15 (Life on Land) and UN SDG #13 (Climate Action).

- **Water For All Program:** Additionally, the Company is committed to donate water tanks as a further climate mitigation initiative, aimed to increase water security for communities in the Jequitinhonha Valley. The Company is also committed to maintain water supply of the tanks by providing water trucks year-round, enhancing water security for the communities. The amount charged as expense in 2023 is $842, remaining $770 outstanding in current liabilities as of December 31, 2023. This program, which is now in progress, advances the goals of UN SDG #6 (Clean Water and Sanitation) and UN SDG #13 (Climate Action).

- **Zero Hunger Action:** The Company donated food baskets in 2023, with an expense in the amount of $157, remaining $69 outstanding in current liabilities as of December 31, 2023.

- **Being a Child Program:** During the second quarter of 2023, the Company committed to a series of initiatives to help promote sustainable development in the communities of Poço Dantas, Ponte do Piauí and Taquaral Seco. Additionally, the Company refurbished an outdoor sports court, which will help promote sports in the community. Finally, the Company is also implementing after-school programs in these facilities.

29. Legal claim contingency

Sigma Brazil is a party of labor proceedings filed against its third parties service providers as a second defendant with secondary liability for non-payment of labor charges by the services provider (with primary liability), totaling the amount of $497 (equivalent to R$ 1,815), which amount in regarding 2022 related to labor proceeding was $ 1.6 million (equivalent to R$ 6 million). The Company considers that the likelihood of loss is possible, but not probable. Accordingly, no provision for any liability has been made in these consolidated financial statements.

The Company is a party to arbitration filed against it amounting to $ 138. The Company's management, advised by its legal counsel assessed the likelihood of loss is possible, considering the maximum amount of $138. Accordingly, no provision has been recognized in these consolidated financial statements.

Accounting Policy

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

30. Additional information of the cash flow statement

Below are presented the non-cash effects:

Description	12/31/2023
Addition to property, plant, and equipment in exchange for:	
Lease	4,872
Financing	3,761
Suppliers	15,241
Non-cash effects	**23,874**

31. Subsequent Events

- **Export prepayment**

  In the first quarter of 2024, the Company entered into an export prepayment agreement with financial institutions in the total amount of $120,015 with maturities between 90 and 180 days with interest rates ranging from 5.9% p.a. to 12.0% p.a.

- **Arbitration**

  On March 18th, 2024, the Company received an Initiation Letter of Arbitration by LG Group subsidiary, LG Energy Solution, Ltd. (“LG-ES“) from the International Centre for Dispute Resolution of the American Arbitration Association. LG-ES is alleging that Sigma Lithium is in breach of certain provisions in connection with the Term-Sheet dated October 5, 2021, relating to offtake arrangements for the purchase of lithium concentrate from the Company. The Term-Sheet was subject to, amongst other things, completion of the negotiation of definitive written agreements between the parties. The Company believes the claims are without merit. The Company has formally attributed the probability of LG prevailing in this arbitration as remote.

- **Final investment decision**

  The Board of Directors approved the construction of a second line, the Phase 2 Industrial Greentech Plant, with capital expenditures budgeted of $136 million. The full license to build and operate the new industrial plant (“Phase 2”) was approved by the regulatory authorities in the first quarter of 2024.

* *

EXHIBIT 99.4

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ana Cabral-Gardner, certify that:

I have reviewed this annual report on Form 40-F of Sigma Lithium Corporation.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

- Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 30, 2024

/s/
Signature

Chief Executive Officer
Title

EXHIBIT 99.5

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Caio Araújo, certify that:

I have reviewed this annual report on Form 40-F of Sigma Lithium Corporation.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

- Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

- All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
- Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 30, 2024

/s/
Signature

Chief Financial Officer
Title

EXHIBIT 99.6

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Sigma Lithium Corporation. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 40-F for the fiscal year ended December 31, 2023 (the "Report").

I, Ana Cabral-Gardner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/
Name: Ana Cabral-Gardner
Title: Chief Executive Officer

Date: April 30, 2024

EXHIBIT 99.7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Sigma Lithium Corporation. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its annual report on Form 40-F for the fiscal year ended December 31, 2023 (the "Report").

I, Caio Araújo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that:

(i) the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/
Name: Caio Araújo
Title: Chief Financial Officer

Date: April 30, 2024

Exhibit 99.8

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Sigma Lithium Corporation

We consent to the incorporation by reference of our reports dated April 30, 2024, with respect to the consolidated financial statements of Sigma and the effectiveness of internal control over financial reporting which reports appears in the Form 40-F of Sigma Lithium Corporation dated April 30, 2024.

KPMG Auditores Independentes Ltda.

April 30, 2024
São Paulo, Brazil

Exhibit 99.9

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Sigma Lithium Corporation

We consent to the use of our report dated June 12, 2023, on the consolidated financial statements of Sigma Lithium Corporation (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2022, the related consolidated statements of loss, comprehensive loss, shareholders' equity, and cash flows for the year ended December 31, 2022, and the related notes, which is incorporated by reference in this Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2023.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
April 30, 2024

Exhibit 99.10

CONSENT OF QUALIFIED PERSON

The undersigned hereby consents to the use of their report(s), and the information derived therefrom, as well as the reference to their name, in each case where used or incorporated by reference in the Annual Report on Form 40-F of Sigma Lithium Corporation, including in the Annual Information Form filed as an exhibit thereto, being filed with the United States Securities and Exchange Commission, and any amendments thereto.

/s/ Marc-Antoine Laporte
Marc-Antoine Laporte, P.Geo., M.Sc.
April 30, 2024

Exhibit 99.11

CONSENT OF QUALIFIED PERSON

The undersigned hereby consents to the use of their report(s), and the information derived therefrom, as well as the reference to their name, in each case where used or incorporated by reference in the Annual Report on Form 40-F of Sigma Lithium Corporation, including in the Annual Information Form filed as an exhibit thereto, being filed with the United States Securities and Exchange Commission, and any amendments thereto.

/s/ Porfirio Cabaleiro Rodriguez
Porfirio Cabaleiro Rodriguez, B.Sc., M.Eng.
April 30, 2024

Exhibit 99.12

CONSENT OF QUALIFIED PERSON

The undersigned hereby consents to the use of their report(s), and the information derived therefrom, as well as the reference to their name, in each case where used or incorporated by reference in the Annual Report on Form 40-F of Sigma Lithium Corporation, including in the Annual Information Form filed as an exhibit thereto, being filed with the United States Securities and Exchange Commission, and any amendments thereto.

/s/ Jarrett Quinn
Jarrett Quinn, P. Eng.
April 30, 2024

Exhibit 99.13

CONSENT OF QUALIFIED PERSON

The undersigned hereby consents to the use of their report(s), and the information derived therefrom, as well as the reference to their name, in each case where used or incorporated by reference in the Annual Report on Form 40-F of Sigma Lithium Corporation, including in the Annual Information Form filed as an exhibit thereto, being filed with the United States Securities and Exchange Commission, and any amendments thereto.

/s/ Homero Delboni Jr.
Homero Delboni Jr., B.E., M. Eng. Sc. Ph.D, MAusIMM
April 30, 2024

Exhibit 99.14

CONSENT OF QUALIFIED PERSON

The undersigned hereby consents to the use of their report(s), and the information derived therefrom, as well as the reference to their name, in each case where used or incorporated by reference in the Annual Report on Form 40-F of Sigma Lithium Corporation, including in the Annual Information Form filed as an exhibit thereto, being filed with the United States Securities and Exchange Commission, and any amendments thereto.

/s/ William van Breugel
William van Breugel, P. Eng.
April 30, 2024