

Bacanora Lithium Ltd

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Bacanora Lithium higher as it tees up US\$150m loan for first phase at Sonora project

Bacanora Lithium Ltd (LON:BCN) shares rose on Thursday as the firm agreed a US\$150m loan for the construction of the first phase of the mine at Sonora in Mexico.

RK Mine Finance is putting up the money, which will cover a sizeable chunk of the cost of an initial 17,500tpa lithium carbonate operation.

READ: Bacanora Lithium shares jump as it announces five-year off-take contract extension with Japan's Hanwa

A feasibility study estimated the capital cost for this first phase operation at US\$420m.

In addition, Bacanora estimates that a further US\$40m will be required for working capital.

Talks are ongoing with off-take partner Hanwa, a Japanese trading firm, and other strategic, long-term investors for the additional funding.

In early morning trading, Bacanora shares were 6.3% higher at 92.5p.

Highly competitive facility

Peter Secker, chief executive, said the costs and terms of the facility were highly competitive compared to other debt packages recently been reported for greenfield lithium projects in Canada and Australia.

The facility has been structured as two bonds. The main bond has a six-year term and will be issued at a price of US\$138m with a nominal value of US\$150m.

The second bond has a nominal value of US\$56m and US\$12m purchase price, a zero coupon and is repayable over twenty years.

RK Finance will also be granted six million warrants.

Kiran Morzaria, CEO of Cadence Minerals Plc (LON:KNDC), which has around an 8% stake in Bacanora commented that "we are genuinely excited that Bacanora has secured a senior debt funding package of this size."

-- Adds share price, Cadence Minerals comment --

Price: 64.3

Market Cap: £143.91 m

1 Year Share Price Graph



January 2020 July 2020 January 2022

Share Information

Code: BCN

Listing: AIM

52 week High Low
69 14.5

Sector: Battery Metals

Website: www.bacanoralithium.com

Company Synopsis:

Bacanora Lithium is an AIM listed company focused on building, in collaboration with its major shareholder and offtake partner, Ganfeng Lithium (the world's largest lithium metals producer), a 35,000 tonne per annum open pit battery grade lithium operation at its flagship asset, the Sonora Lithium Project in Mexico.

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