



**SIGMA LITHIUM RESOURCES CORPORATION  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2021 AND 2020  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Sigma Lithium Resources Corporation (the "Company") are the responsibility of management and have been approved by the Board of Directors ("Board").

The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Accounting Standards 34 Interim Financial Reporting of 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 the majority of its members are independent directors. The Audit Committee meets at least four times a year with management, as well as 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 auditors' 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.

"Calvyn Gardner"  
*Chairman and Chief Executive Officer*

"Guilherme Guimarães"  
*Chief Financial Officer*

**Sigma Lithium Resources Corporation**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	\$ 46,847,656	\$ 13,543,024
Receivables and other assets (notes 5 and 12)	641,159	503,420
<b>Total current assets</b>	<b>47,488,815</b>	<b>14,046,444</b>
<b>Non-current assets</b>		
Receivables and other assets (notes 5 and 12)	97,225	111,098
Exploration and evaluation assets (note 7)	20,601,018	18,354,148
Property and equipment (note 6)	610,631	686,308
<b>Total assets</b>	<b>\$ 68,797,689</b>	<b>\$ 33,197,998</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 689,974	\$ 1,953,633
Revolving credit facility (note 8)	2,714,755	2,683,880
Payroll and other taxes	198,935	267,666
Note payable (note 10)	244,134	1,941,349
Lease liability (notes 11 and 12)	8,403	9,082
Other liabilities	-	72,127
<b>Total current liabilities</b>	<b>3,856,201</b>	<b>6,927,737</b>
<b>Long-term liabilities</b>		
Deferred revenue (note 9)	4,007,100	4,007,100
Note payable (note 10)	-	262,696
Lease liability (notes 11 and 12)	216,504	243,117
<b>Total liabilities</b>	<b>8,079,805</b>	<b>11,440,650</b>
<b>Shareholders' equity</b>		
Share capital (note 13)	92,417,982	53,910,946
Contributed surplus	11,786,859	3,930,885
Accumulated other comprehensive loss	(3,885,411)	(2,858,091)
Accumulated deficit	(39,601,546)	(33,226,392)
<b>Total shareholders' equity</b>	<b>60,717,884</b>	<b>21,757,348</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 68,797,689</b>	<b>\$ 33,197,998</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Basis of presentation** (note 2)  
**Related parties** (notes 5, 11 and 12)  
**Subsequent events** (note 8)

**Approved on behalf of the Board:**

(Signed) "Calvyn Gardner" \_\_\_\_\_, Director

(Signed) "Marcelo Paiva" \_\_\_\_\_, Director

**Sigma Lithium Resources Corporation**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

Three months ended March 31,	2021	2020
<b>Operating expenses</b>		
General and administrative expenses (note 17)	\$ 6,092,243	\$ 425,041
Accretion and interest on notes payable (note 10)	37,822	86,541
Interest expense on credit revolver and suppliers (note 8)	67,929	34,775
Foreign exchange loss (gain)	163,814	(300,384)
Depreciation	13,346	17,165
<b>Net loss for the period</b>	<b>(6,375,154)</b>	<b>(263,138)</b>
<b>Other comprehensive loss</b>		
<b>Amounts that may be reclassified subsequently to profit and loss</b>		
Cumulative translation adjustment	(1,027,320)	(1,719,896)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (7,402,474)</b>	<b>\$ (1,983,034)</b>
<b>Loss per common share</b>		
<b>Equity holders of the Company</b>		
Basic and diluted net loss per common share (note 14)	\$ (0.08)	\$ (0.00)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>82,767,606</b>	<b>68,878,891</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

**Sigma Lithium Resources Corporation**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

Three months ended March 31,	2021	2020
<b>Operating activities</b>		
Net loss for the period	\$ (6,375,154)	\$ (263,138)
Adjustments for:		
Depreciation	13,346	17,165
Stock-based compensation	5,451,016	124,270
Accretion and interest on notes payable (note 10)	37,822	86,541
Interest expense on credit revolver and suppliers (note 8)	67,929	34,775
Unrealized foreign exchange gain on notes payable (note 10)	(122,157)	(307,754)
Unrealized foreign exchange loss	218,287	-
Provision	-	(9,465)
Changes in non-cash working capital items:		
Receivables and other assets	(158,984)	63,348
Accounts payable and other liabilities	(1,288,052)	(246,390)
Other taxes	(43,771)	17,216
<b>Net cash provided by (used in) operating activities</b>	<b>(2,199,374)</b>	<b>(483,432)</b>
<b>Investing activities</b>		
Addition to exploration and evaluation assets	(1,756,767)	(322,986)
Purchase of property and equipment	(8,571)	-
<b>Net cash used in investing activities</b>	<b>(1,765,338)</b>	<b>(322,986)</b>
<b>Financing activities</b>		
Lease payments (notes 11 and 12)	(8,364)	(9,484)
Repayment of note payable (note 10)	(1,875,576)	-
Revolving credit facility (note 8)	-	780,854
Issue of common shares (note 13)	39,380,157	-
<b>Net cash provided by financing activities</b>	<b>37,496,217</b>	<b>771,370</b>
<b>Effect of exchange rate changes on cash held in foreign currency</b>	<b>(226,873)</b>	<b>(7,851)</b>
<b>Net increase / (decrease) in cash</b>	<b>33,304,632</b>	<b>(42,899)</b>
<b>Cash, beginning of period</b>	<b>13,543,024</b>	<b>103,640</b>
<b>Cash, end of period</b>	<b>\$ 46,847,656</b>	<b>\$ 60,741</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

## Sigma Lithium Resources Corporation

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of common shares	Share capital	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Total
<b>Balance, January 1, 2020</b>	<b>68,878,891</b>	<b>\$ 36,190,313</b>	<b>\$ 4,440,281</b>	<b>\$ (213,118)</b>	<b>\$(31,678,201)</b>	<b>\$ 8,739,275</b>
Stock-based compensation (notes 18 and 19)	-	-	414,690	-	-	414,690
Fair value adjustment on modification of note payable (note 10)	-	-	114,132	-	-	114,132
Net loss for the period	-	-	-	-	(263,138)	(263,138)
Other comprehensive loss for the period	-	-	-	(1,719,896)	-	(1,719,896)
<b>Balance, March 31, 2020</b>	<b>68,878,891</b>	<b>\$ 36,190,313</b>	<b>\$ 4,969,103</b>	<b>\$ (1,933,014)</b>	<b>\$(31,941,339)</b>	<b>\$ 7,285,063</b>
<b>Balance, January 1, 2021</b>	<b>77,782,757</b>	<b>\$ 53,910,946</b>	<b>\$ 3,930,885</b>	<b>\$ (2,858,091)</b>	<b>\$(33,226,392)</b>	<b>\$ 21,757,348</b>
Private placement (note 13)	9,545,455	42,000,000	-	-	-	42,000,000
Share issue costs (note 13)	-	(2,619,843)	-	-	-	(2,619,843)
Agent warrants issued (note 15)	-	(873,121)	873,121	-	-	-
Stock-based compensation (notes 18 and 19)	-	-	6,982,853	-	-	6,982,853
Net loss for the period	-	-	-	-	(6,375,154)	(6,375,154)
Other comprehensive income for the period	-	-	-	(1,027,320)	-	(1,027,320)
<b>Balance, March 31, 2021</b>	<b>87,328,212</b>	<b>\$ 92,417,982</b>	<b>\$ 11,786,859</b>	<b>\$ (3,885,411)</b>	<b>\$(39,601,546)</b>	<b>\$ 60,717,884</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

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# **Sigma Lithium Resources Corporation**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**Three Months Ended March 31, 2021 and 2020**

**(Expressed in Canadian Dollars, unless otherwise indicated)**

**(Unaudited)**

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### **1. Nature of operations**

Sigma Lithium Resources Corporation (the "Company") is a Canadian based lithium exploration and development company incorporated under the Canada Business Corporations Act. Its shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol SGMA and on the American Stock Exchange Over-the-Counter QB under the symbol SGMLF. The head office of the Company is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6E 3E8.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars and 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 Brazil-incorporated subsidiary Sigma Mineração S.A. ("SMSA"). Sigma Holdings was incorporated for the purpose of developing SMSA's lithium properties located in the State of Minas Gerais, Brazil.

SMSA 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 in the State of Minas Gerais, Brazil (together, the "Lithium Properties").

### **2. Basis of preparation**

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian Dollars except when otherwise indicated. They have been prepared on a going concern basis on the assumption that the Company will continue to operate for the next 12 (twelve) months and foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Company has approximately \$46.8 million cash available as at March 31, 2021, the Company has not yet made a decision to proceed with regards to the construction of the commercial production plant at the Lithium Properties (the "Production Plant"). When such decision is made by the Company, it will require additional debt financing for the remaining capital expenditures.

### **3. Significant Accounting Policies**

#### **Statement of compliance**

The accounting policies and estimates applied in these condensed consolidated interim financial statements are consistent with those used in the Company's audited annual consolidated financial statements for the year ended December 31, 2020. The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not contain all of the required disclosures and should be read in conjunction with the Company's December 31, 2020 audited annual consolidated financial statements.

## Sigma Lithium Resources Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

#### 4. Cash and cash equivalents

Cash and cash equivalents include cash, immediately redeemable deposits and short-term investments with an insignificant risk of change in value. They are readily convertible to cash being comprised by different currency as follows:

	March 31, 2021		December 31, 2020	
	Amount in denominated currency	Equivalent Amount in Canadian Dollars	Amount in denominated currency	Equivalent Amount in Canadian Dollars
<b>Denominated Currencies</b>				
Deposits in Brazilian Reals	111,736	\$ 24,658	16,811	\$ 4,124
Deposits in United States Dollars	15,155,035	19,054,426	10,613,332	13,529,876
Deposits in Canadian Dollars	27,768,572	27,768,572	9,024	9,024
		<b>\$ 46,847,656</b>		<b>\$ 13,543,024</b>

#### 5. Receivables and other assets

	March 31, 2021	December 31, 2020
<b>Current</b>		
Prepaid land lease (note 12(b))	\$ 10,844	\$ 12,055
Prepaid expenses	290,270	175,840
Sales tax receivable	337,877	313,803
Travel advances	2,168	1,722
<b>Total Current</b>	<b>641,159</b>	<b>503,420</b>
<b>Non-current - Prepaid land lease (note 12(b))</b>	<b>97,225</b>	<b>111,098</b>
	<b>\$ 738,384</b>	<b>\$ 614,518</b>



## Sigma Lithium Resources Corporation

Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

### 6. Property and equipment

Cost	Vehicle	Furniture	Building	Machinery	Fixtures	Pilot plant	Right-of-use assets	Total
<b>Balance, December 31, 2020</b>	\$ 5,888	\$ 41,423	\$ 12,220	\$ 106,566	\$ 204,756	\$ 215,379	\$ 293,166	\$ 879,398
Additions	-	4,180	-	4,391	-	-	-	8,571
Cumulative translation adjustment	(592)	(4,346)	(1,228)	(10,900)	(20,571)	(19,736)	(23,565)	(80,938)
<b>Balance, March 31, 2021</b>	<b>\$ 5,296</b>	<b>\$ 41,257</b>	<b>\$ 10,992</b>	<b>\$ 100,057</b>	<b>\$ 184,185</b>	<b>\$ 195,643</b>	<b>\$ 269,601</b>	<b>\$ 807,031</b>

  

Accumulated amortization	Vehicle	Furniture	Building	Machinery	Fixtures	Pilot plant	Right-of-use assets	Total
<b>Balance, December 31, 2020</b>	1,864	8,940	6,767	38,416	45,290	33,220	58,593	193,090
Depreciation	277	975	115	2,568	4,790	4,622	4,065	17,412
Cumulative translation adjustment	(200)	(941)	(685)	(3,973)	(4,761)	(3,542)	-	(14,102)
<b>Balance, March 31, 2021</b>	<b>\$ 1,941</b>	<b>\$ 8,974</b>	<b>\$ 6,197</b>	<b>\$ 37,011</b>	<b>\$ 45,319</b>	<b>\$ 34,300</b>	<b>\$ 62,658</b>	<b>\$ 196,400</b>

  

Net book value	Vehicle	Furniture	Building	Machinery	Fixtures	Pilot plant	Right-of-use assets	Total
<b>Balance, December 31, 2020</b>	\$ 4,024	\$ 32,483	\$ 5,453	\$ 68,150	\$ 159,466	\$ 182,159	\$ 234,573	\$ 686,308
<b>Balance, March 31, 2021</b>	<b>\$ 3,355</b>	<b>\$ 32,283</b>	<b>\$ 4,795</b>	<b>\$ 63,046</b>	<b>\$ 138,866</b>	<b>\$ 161,343</b>	<b>\$ 206,943</b>	<b>\$ 610,631</b>

# Sigma Lithium Resources Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

### 7. Exploration and evaluation assets

The Company is in the exploration and evaluation stage with respect to its mineral properties and follows the practice of capitalizing 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.

A summary of explorations costs is set out below:

	Three months ended March 31, 2021	Year ended December 31, 2020
<b>Opening balance</b>	<b>\$ 18,354,148</b>	<b>\$ 19,388,092</b>
Personnel costs <sup>(a)</sup>	1,788,800	933,045
Geological costs	491,104	292,701
Drilling	766,042	47,578
Environmental consulting <sup>(b)</sup>	43,987	321,710
Environmental compensation <sup>(c)</sup>	161,311	204,828
Development / Engineering services	30,947	3,501
Other	16,526	62,081
Cumulative translation adjustment <sup>(d)</sup>	(1,051,847)	(2,899,388)
<b>Closing balance</b>	<b>\$ 20,601,018</b>	<b>\$ 18,354,148</b>

<sup>(a)</sup> The personnel costs include \$1,531,837 related to RSUs approved for grant to employees and a designated service provider during the three months ended March 31, 2021 (year ended December 31, 2020 - \$470,032).

<sup>(b)</sup> Environmental consulting relates to maintenance, monitoring and licensing services.

<sup>(c)</sup> Environmental compensations relate to costs incurred as required by environmental authorities.

<sup>(d)</sup> Cumulative translation adjustment is the result of the exchange loss arising on the translation of exploration and evaluation assets held at SMSA, whose functional currency is the Brazilian Real, as a result of the depreciation of the Brazilian Real relative to the Canadian dollar.

**Sigma Lithium Resources Corporation**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**Three Months Ended March 31, 2021 and 2020**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**8. Revolving credit facility**

On November 29, 2019, in order to fund its working capital, the Company entered into a US\$5,000,000 (\$6,300,000) unsecured revolving credit facility (the "A10 Credit Facility") with A10 Group (a related party – note 12). The A10 Credit Facility bears interest at 11% per annum, calculated in US Dollars from the day funds are drawn. The A10 Credit Facility was subject to a commitment and disbursement fee of 0.65% and a due diligence fee of 0.65% of the committed amount, which were offset against any interest payable on funds drawn. This credit facility had a one-year term, which was to be the repayment date for all funds drawn. Each draw on the A10 Credit Facility was subject to A10 Group approval.

On May 29, 2021, A10 Group has agreed to extend the maturity date by three months, without any penalties or additional charges. This amendment is subject to TSX Venture Exchange approval.

On May 31, 2021, the Company repaid US\$1,097,774 (\$1,330,579) to A10 Group (being 50% of the outstanding balance of the A10 Credit Facility).

During the three months ended March 31, 2021, the Company drew \$nil (year ended December 31, 2020 - US\$1,685,700 (\$2,281,983)) under the A10 Credit Facility and the following balances were outstanding as at March 31, 2021 and December 31, 2020:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Principal <sup>(a)</sup>	\$ 2,420,990	\$ 2,454,882
Accrued Interests and fees <sup>(b)</sup>	293,765	228,998
<b>Total credit facility liability</b>	<b>\$ 2,714,755</b>	<b>\$ 2,683,880</b>

<sup>(a)</sup> The amount in contractual currency was US\$1,925,700 (December 31, 2020 - US\$1,925,700)

<sup>(b)</sup> The amount in contractual currency was US\$233,666 (December 31, 2020 – US\$179,634)

**9. Deferred revenue**

On March 26, 2019, the Company entered into a binding head of agreement with Mitsui & Co. Ltd. ("Mitsui") under which Mitsui will prepay the Company US\$30,000,000 for battery grade lithium concentrate supply of up to 80,000 tonnes annually (the "Mitsui Pre-Payment") over six years, extendable for another five years at the option of Mitsui.

An initial amount payment of US\$3,000,000 (\$4,007,100) was received by the Company on April 4, 2019, while the disbursements of the remaining amounts are subject to certain conditions, including the execution of related definitive offtake agreements with Mitsui and securing loan funding for the remaining amount of the capital expenditures for the construction of the Production Plant.

As part of the total Mitsui Pre-Payment amount, for the Company to meet its construction timetable, an amount of up to US\$7,000,000 for the deposits required to purchase long lead items for construction of the commercial production plant or other preproduction critical activities, can be made available as per the Company's request to Mitsui. Such payments are subject to Mitsui's approval and will be credited towards the overall Mitsui Pre-Payment amount.

Other than the initial tranche payment described above, the Company did not request or receive any funds in 2020 and in the three months period ended March 31, 2021.

## Sigma Lithium Resources Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

#### 10. Note payable

The outstanding balance of the note payable is herein presented at its carrying value of \$244,134, including principal of \$206,917 plus interest of \$37,216 as at March 31, 2021, calculated as follows:

	March 31, 2021	December 31, 2020
<b>Opening balance</b>	<b>\$ 2,204,045</b>	<b>\$ 3,883,733</b>
Accretion	25,372	167,477
Interest	12,450	98,831
Fair value adjustment	-	(29,052)
Unrealized foreign exchange gain	(122,157)	(890,992)
Repayment of interest	(273,882)	(125,176)
Repayment	(1,601,694)	(900,776)
<b>Closing balance</b>	<b>\$ 244,134</b>	<b>\$ 2,204,045</b>

The following payment schedules due at March 31, 2021 and December 31, 2020 are outlined below.

Due date	Reais (undiscounted)	Canadian equivalent to Reais (undiscounted)	Carrying value March 31, 2021
March 28, 2022	1,000,000	220,629	\$ 244,134
<b>Total</b>			<b>\$ 244,134</b>

Carrying value	March 31, 2021
<b>Current</b>	<b>\$ 244,134</b>
	<b>\$ 244,134</b>

Due date	Reais (undiscounted)	Canadian equivalent to Reais (undiscounted)	Carrying value December 31, 2020
January 31, 2021	3,859,309	\$ 946,582	\$ 1,101,470
March 15, 2021	3,000,000	735,817	839,879
March 28, 2022	1,000,000	245,272	262,696
			<b>\$ 2,204,045</b>

Carrying value	December 31, 2020
<b>Current</b>	<b>\$ 1,941,349</b>
<b>Long-term</b>	<b>262,696</b>
	<b>\$ 2,204,045</b>

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## Sigma Lithium Resources Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

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#### 11. Lease liability

The lease liability is related to land leases of surface properties owned by Miazga Participações S.A., a related party, (note 12) and Arqueana, a related party, (note 12) and housing leases owned by third parties. The lease liability was measured at the present value of the lease payments. The lease payments were discounted using a weighted average interest rate of 11.33% (December 31, 2020 – 11.33%), which was determined to be the Company's incremental borrowing rate. The continuity of the lease liability is presented in the table below:

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<b>Lease liability at January 1, 2020</b>	<b>\$ 313,690</b>
Additions	20,585
Interest expense	27,465
Lease payments	(35,231)
Cumulative translation adjustment	(74,310)
<b>Lease liability at December 31, 2020</b>	<b>252,199</b>
Interest expense	6,408
Lease payments	(8,364)
Cumulative translation adjustment	(25,336)
<b>Lease liability at March 31, 2021</b>	<b>\$ 224,907</b>

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#### As at March 31, 2021

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Lease obligations	\$ 224,907
Less current portion	8,403
<b>Non-current portion</b>	<b>\$ 216,504</b>

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#### Maturity analysis – contractual undiscounted cash flows

##### As at March 31, 2021

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Less than one year	\$ 8,403
Year 2	33,457
Year 3	33,457
Year 4	33,457
More than 5 years	362,415
<b>Total contractual undiscounted cash flows</b>	<b>\$ 471,189</b>

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# Sigma Lithium Resources Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

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### 12. Related party transactions

The Company's related parties include:

<b>Related Party</b>	<b>Nature of relationship</b>
A10 Group	A10 Group is composed of A10 Serviços Especializados em Avaliação de Empresas Ltda. and A10 Investimentos Ltda., both companies are owned by two directors of the Company.
Miazga	Miazga Participações S.A ("Miazga") is a land administration company indirectly controlled by two directors of the Company, one of which also controls part of A10 Group.
Arqueana	Arqueana Empreendimentos e Participações S.A. ("Arqueana") is a land administration company in which two directors of the Company have an indirect economic interest.
Key management personnel	Includes the directors of the Company, executive management team and senior management at SMSA.

#### (a) Transactions with related parties

**Cost sharing agreement ("CSA"):** The Company entered in a CSA with A10 Group where A10 Group is reimbursed for secondment staff 100% allocated to the Company, including legal, financial and business development personnel and 50% of shared secretarial administrative personnel.

**Revolving credit facility:** The Company entered in a revolving credit facility agreement with A10 Group which allows the Company to raise short-term financing debt increasing its liquidity (note 8).

**Leasing Agreements:** The Company has land lease agreements with Miazga and Arqueana (note 11). Part of these leases get offset by the prepaid land lease (note 5).

**Share purchase agreement ("SPA"):** The Company owes a note payable related to the SPA with Arqueana (note 10).

**Commission fees:** The Company entered into an agreement with A10 Group for acting as one of the Company's financial advisors to locate equity investors in non-brokered private placements. The Company paid finders' fee of up to 6% of the gross proceeds received from these investors (note 13).

## Sigma Lithium Resources Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

#### 12. Related party transactions (continued)

##### (a) Transactions with related parties (continued)

The related party transactions are recorded at the exchange amount transacted as agreed between the Company and the related party. All of the related party transactions have been reviewed and approved by the independent directors of the Company.

##### (b) Outstanding balances and expenses with related parties

	2021			2020		
	March 31,		Three Months Ended March 31,	December 31,		Three Months Ended March 31,
	Prepayments	Accounts Payable/ Debt	Expenses/ Payments	Prepayments	Accounts Payable/ Debt	Expenses/ Payments
	\$	\$	\$	\$	\$	\$
<b>A10 Group</b>						
CSA	-	-	31,823	-	-	24,286
Revolving credit facility	-	2,714,755	30,875	-	2,683,880	7,381
Commission fees	-	-	2,344,584	-	-	-
<b>Miazga</b>						
Lease agreements	-	73,610	11,864	-	82,514	15,498
Prepaid land lease offset	108,069	-	2,845	123,153	-	2,809
<b>Arqueana</b>						
Lease agreements	-	151,296	5,932	-	169,685	7,274
Prepaid land lease offset	-	-	-	-	-	-
SPA	-	244,134	(396,039)	-	2,204,045	(335,345)
<b>Management and Directors</b>						
Travel expenses Reimbursement	-	-	-	-	72,127	-

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## Sigma Lithium Resources Corporation

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 13. Share capital

##### a) 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.

##### b) Common shares issued by the Company

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	Common shares (#)	Amount
<b>Balance, January 1, 2020 and March 31, 2020</b>	<b>68,878,891</b>	<b>\$ 36,190,313</b>
	Common shares (#)	Amount
<b>Balance, December 31, 2020</b>	<b>77,782,757</b>	<b>\$ 53,910,946</b>
Private placement <sup>(1)</sup>	9,545,455	42,000,000
Cost of private placement <sup>(1)</sup>	-	(2,619,843)
Agent warrants issued	-	(873,121)
<b>Balance, March 31, 2021</b>	<b>87,328,212</b>	<b>\$ 92,417,982</b>

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<sup>(1)</sup> On February 12, 2021, the Company completed a non-brokered private placement of 9,545,455 common shares at a price of \$4.40 per share for aggregate gross proceeds of \$42 million. In connection with such offering, the Company paid aggregate placement agent fees of \$2,619,845 and issued 562,860 common share purchase warrants having an exercise price of \$4.40 per share and exercisable until February 12, 2022. In connection with this offering, A10 Group, a related party (note 12) who was one of the Company's financial advisors in respect of such non-brokered private placement, received \$2,344,584 of such placement agent fees and 532,860 of such warrants.

#### 14. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2021 was based on the loss attributable to common shareholders of \$6,375,154 (three months ended March 31, 2020 - loss of \$263,138) and the weighted average number of common shares outstanding of 82,767,606 (three months ended March 31, 2020 of 68,878,891). Diluted loss per share for each of the periods presented did not include the effect of RSU's, stock options and warrants as they are anti-dilutive.



# Sigma Lithium Resources Corporation

## Notes to the Condensed Interim Consolidated Financial Statements

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### 15. Warrants

	Number of Warrants	Grant date fair value
<b>Balance, January 1, 2020</b>	<b>248,352</b>	<b>\$ 217,929</b>
Expired	(248,352)	(217,929)
<b>Balance, March 31, 2020</b>	<b>-</b>	<b>\$ -</b>
<b>Balance, December 31, 2020</b>	<b>-</b>	<b>\$ -</b>
Issued <sup>(1)</sup>	562,860	873,121
<b>Balance, March 31, 2021</b>	<b>562,860</b>	<b>\$ 873,121</b>

<sup>(1)</sup> The fair value of the 562,860 common share purchase warrants of \$873,121 was estimated using a relative fair value method at the date of the grant. For this calculation the Company used the Black-Scholes option pricing model calculation with the following inputs: the market price on valuation date of \$4.40; expected dividend yield of 0%; expected volatility of 66.61% using the historical price history of the Company; risk-free interest rate of 0.17%; and an expected average life of one year (note 13).

### 16. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

The fair values of cash, accounts receivable, accounts payable, note payable and accrued liabilities approximate their carrying values due to the short term to maturity of these financial instruments.

### 17. General and administrative expenditures

Three Months Ended March 31,	2021	2020
Stock-based compensation	\$ 5,451,016	\$ 124,270
Salaries and benefits	92,943	115,937
Legal	67,952	20,000
Travel	11,035	37,777
A10 Group - CSA (note 12(a))	31,823	24,286
Business development and investor relations	121,210	72,836
Accounting	23,837	19,796
Auditing	196,569	(51,333)
Penalties	23,513	-
Other general and administration	72,345	61,472
<b>Total general and administrative expenditures</b>	<b>\$ 6,092,243</b>	<b>\$ 425,041</b>

## Sigma Lithium Resources Corporation

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#### 18. Restricted share units

The Company's Board of Directors has adopted an equity incentive plan (the "Equity Incentive Plan"). The Equity Incentive Plan received shareholder approval in accordance with the policies of the TSXV at the annual and special meeting of the Company's shareholders held on June 28, 2019. 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.

	Number of RSUs
<b>Balance, January 1, 2020 and March 31, 2020</b>	<b>2,146,000</b>
	<b>Number of RSUs</b>
<b>Balance, January 1, 2021</b>	<b>687,334</b>
Granted <sup>(1)</sup>	1,381,333
<b>Balance, March 31, 2021</b>	<b>2,068,667</b>

<sup>(1)</sup> On March 4, 2021, the Board approved the grant of 1,381,333 RSUs to key employees, directors and designated service providers of the Company.

#### 19. Stock options

Movements in stock options are summarized below:

	Number of stock options	Weighted average exercise price
<b>Balance, January 1, 2020 and March 31, 2020</b>	<b>200,000</b>	<b>\$2.10</b>
	Number of stock options	Weighted average exercise price
<b>Balance, December 31, 2020 and March 31, 2021</b>	<b>50,000</b>	<b>\$2.23</b>

The following table reflects the stock options issued and outstanding as of March 31, 2021:

Expiry date	Exercise price (\$)	Weighted average remaining exercisable life (years)	Number of options outstanding	Number of options vested (exercisable)	Grant date (exercisable) fair value
August 28, 2028	2.23	7.42	50,000	20,000	\$ 100,200

These options vest in 5 tranches, being 20% on each anniversary of the grant date.