

## Bradda Head Lithium Ltd. (AIM:BHL, OTCQB:BHLIF) A Full Spectrum of Li Deposits in the USA

**Initiating Coverage**  
March 29, 2022

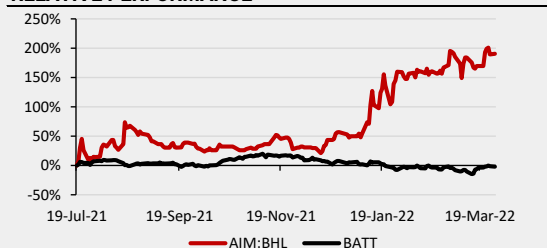
(Currency is US\$ unless noted otherwise)

Closing Price (£/sh)	£0.17	
Rating	BUY	
Target (£/sh)	£0.45	
Return to Target	169%	
52 Week Low / High (£/sh)	£0.05 / £0.18	
CAPITALIZATION		
	Basic	Diluted
Shares Outstanding (M)	317.4	346.3
Market Capitalization (£M)	£53.1	
Enterprise Value (£M)	£45.6	
Cash (£M)	£7.4	
Total Debt (£M)	£0.0	

### STOCK CHART



### RELATIVE PERFORMANCE



RELATIVE VALUATION	US\$EV/t LCE	P/NAV
Bradda Head Lithium Limited	\$200	0.38x
Peer Group Average*	\$250	0.59x

\*S&P Capital IQ

### MAJOR SHAREHOLDERS

Board and Management (22.1%), Zenith Minerals (13.8%), Lithium Royalty Corp. (6.1%), RBC Trust Company (6%)

### DISCLOSURE CODE:

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

### Company Description

Bradda Head Lithium Limited engages in the exploration and development of lithium mining projects in the United States. Its projects include the Basin and Wikieup projects in central Arizona, which together, cover ~47km<sup>2</sup> of Li-sedimentary ground; the Wilson Salt Flat project, a Li-brine project located in Nye County, Nevada; the Eureka Li-brine project, which is located in Lander County, Nevada; and the San Domingo project, a Li-pegmatite project that is located in the Maricopa and Yavapai counties, Arizona.

**We are initiating coverage on Bradda Head Lithium Ltd. (AIM:BHL, OTCQB:BHLIF) with a BUY rating and £0.45 target price, representing 169% upside from the current share price.** Bradda Head is a relatively new, pure-play Li company with projects in AZ and NV. Its projects span the full spectrum of Li deposits: brines, pegmatites, and clays – providing it with several opportunities to create value. **With drilling set to take place across all projects this year and multiple resource estimates planned, we believe Bradda's share price could materially re-rate in 2022.**

- **Several Li projects spanning clays, brines, pegmatites**, including Basin and Wikieup (clays), San Domingo (pegmatites), and Wilson and Eureka (brines) – each of which has potential to be a company maker in their own right. These projects are strategically located in top-ranked mining jurisdictions, with road access and favourable infrastructure. With the number of US gigafactories set to increase to 21 by 2025 and only limited local Li supply, Bradda is positioning itself as a potential future supplier of a clean, net zero carbon, source of domestic Li.
- **A fresh resource with district-scale upside at Basin/Wikieup.** The Arizona Li-clays cover ~47km<sup>2</sup> of proximal ground, making BHL one of the largest clay landholders in the US. Bradda recently provided a new resource at the Basin East property outlining 305 kt LCE; where drilling covers just 2.4% of Bradda's clay land package. A maiden drill program at Wikieup is ongoing; the program covers a wider footprint than the neighbouring ~321 kt LCE Big Sandy deposit. The other clay claims are being permitted for drilling throughout 2022, with each program potentially feeding into a resource estimate. With plenty of fertile ground to explore, we believe Bradda could potentially delineate a multimillion-tonne LCE resource across Basin/Wikieup.
- **Other projects provide free upside.** We believe the market has only partially priced in the resource potential at Basin/Wikieup and none of the upside from San Domingo pegmatites (AZ), and Wilson/Eureka brines (NV). San Domingo returned exceptional sampling results from outcropping pegmatite dykes. Bradda plans to test whether these dykes coalesce at depth into a larger feeder system. Geophysics at Wilson and Eureka outlined potential for large brines at depth. We think Bradda's market cap is low enough that a game-changing drill intercept at any of its projects could drive a rapid re-rating.

**Our target is based on our probability-weighted valuation for the Basin/Wikieup projects only**, with San Domingo, Wilson, and Eureka providing free upside. **Upcoming catalysts:** 1) Wikieup assays (Q2/22), 2) Basin drilling (Q2/22), 3) San Domingo drilling (Q2/22), 4) Nevada brines drilling (2022), 5) Potential TSXV listing (Q2/22), and 6) Early-stage technical study for Basin/Wikieup (2023). **Mining/exploration is inherently risky** and BHL is subject to various geopolitical, technical, corporate, or financial risks.

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## Investment Thesis

**Bradda Head is a new, pure-play lithium company, focused on advancing a portfolio of 100%-owned, high-quality lithium projects in the southwest USA.** Through exploration, discovery, and resource definition across these projects, Bradda Head aims to play a critical role in developing the US' domestic lithium (Li) supply chain. Its portfolio includes a large land package of resource-stage sedimentary/clay projects in Arizona (Basin and Wikieup), a past-producing hard-rock/pegmatite project in Arizona (San Domingo), and two prospective brine projects in Nevada (Eureka and Wilson). The company has a relatively new history, having acquired these assets early last year before raising £6.2M in its oversubscribed AIM IPO last July. Since then, management has been hard at work putting these proceeds into good use, having drilled several holes across its sedimentary claims, put out a resource update, achieved excellent metallurgical test results, completed multiple geophysical programs, closed a royalty and private placement deal with a major Li player, staked more ground, exercised its option to acquire the remaining interest in its sedimentary claims, and listed on the OTCQB. **On the back of its early successes amidst a heated lithium market, Bradda's share price has moved +190% from IPO, and we believe further upside remains.**

**Figure 1: Bradda's project locations and regional infrastructure/Li end users**



Source: Company Reports

**Bradda Head has 100% ownership over a portfolio of Li projects in the southwest USA**

**The US only has one domestic source of Li production and relies heavily on imports**

**The world needs lithium, and the US is at risk.** The global lithium market is currently in deficit, and this deficit is expected to worsen over the coming years on the back of increasing demand for EVs and energy storage (Figure 2). According to the USGS, just four mining operations in Australia, two brine operations in each Argentina and Chile, and two brine and one mining operation in China accounts for the majority of global Li production. With only limited production from Silver Peak – the country's only Li producer, the US relies heavily on imports. Current production at Silver Peak covers just ~2.4% and ~1.4% of forecasted US battery megafactory demand in 2025 and 2030, respectively – which means that unless domestic production

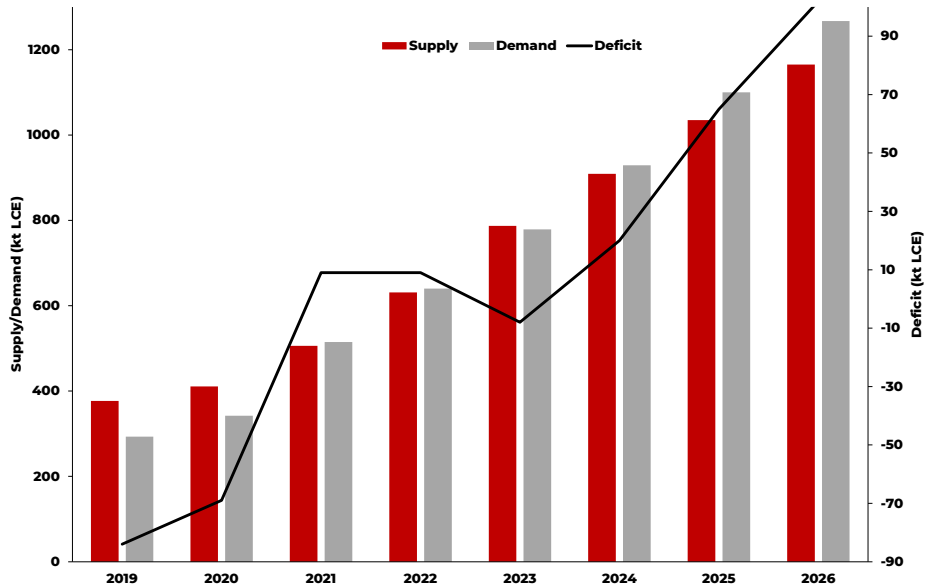
Bradda Head is aiming to provide a source of net-zero carbon Li to US end users

Bradda operates in Arizona and Nevada – two top-ranked mining jurisdictions

Advancing Li in brines, pegmatites, and clays adds built-in diversification to BHL's portfolio

increases, the US will continue its foreign reliance, putting it at serious risk of supply chain disruptions. The US government has taken note: Li was added to its list of critical minerals in 2018 and again in 2021. In February 2021, the Biden Administration signed an executive order pertaining to the development of its local supply chains, including critical minerals. Following this, the US Department of Energy highlighted the urgent need to secure US access to a clean source of domestic lithium. **This is where Bradda Head comes in: its projects are favourably located near US end users and infrastructure, and can potentially offer a local, low-cost, net-zero carbon source of battery-grade lithium to help fill the US supply gap.**

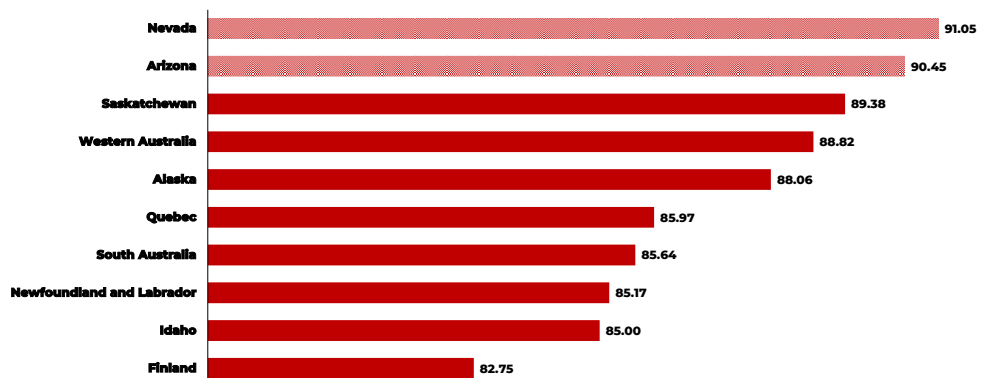
Figure 2: Lithium chemical supply/demand forecast



Source: S&P Global Market Intelligence (February 23, 2022)

**Lithium exploration in two premier mining jurisdictions.** Bradda Head's projects are favourably located in the states of Nevada and Arizona – respectively ranked #1 and #2 globally in terms of global mining investment attractiveness, according to the Fraser Institute's Annual Survey of Mining Companies, 2020. We also note that Nevada is an emerging battery hub, home to Tesla's (NASDAQ:TSLA, Not Rated) famous Gigafactory and Albemarle's (NYSE:ALB, Not Rated) Silver Peak Li-brine operations. Bradda's projects further benefit from nearby infrastructure, including access to highways, electricity, and gas.

Figure 3: Top mining jurisdictions by Investment Attractiveness Index



Source: Fraser Institute (2020)

The economics of clay/sedimentary deposits could be significant as indicated by BHL's peers

**The full spectrum of lithium deposits to explore.** Bradda has exposure to all three primary sources of Li: brines, pegmatites (hard rock), and sedimentary (clay) deposits. Approximately half of all Li production is sourced from brines, with most located in South America. Current brine operations involve drilling wells into Li-bearing aquifers and pumping the brine to surface to be stored in evaporation ponds. Over the course of several months, enough water is evaporated to provide a ~5-6% Li concentrate that is further purified and typically converted to Li-carbonate. Pegmatites account for the other half of global Li supply, with Australia leading Li from pegmatite production. Pegmatites make for hard-rock mines, typically open pit. The mineral of interest is usually spodumene. The end-product is generally a ~6% spodumene concentrate, which is then sold to conversion facilities to be turned into Li-carbonate or Li-hydroxide. The third primary Li source, sedimentary (usually clay) deposits, are often found in the southwest USA. These deposits tend to be open-pittable, and because of the soft-rock nature, can potentially be mined without the need for drilling and blasting. There are currently no sedimentary projects in production, however, several of Bradda's peers are looking to change that in the near future, having already demonstrated compelling economics at their respective projects (Figure 4). **Brines, pegmatites, and clays all have their pros and cons, and we believe having exposure to all three helps diversify Bradda's risk profile.**

**Figure 4: Summaries of advanced (PEA or higher) Li-sedimentary projects**

Project	Noram Zeus	Cypress Clayton Valley	Lithium Americas Thacker Pass	Ganfeng/Bacanora Sonora	Ioneer/Sibanve Rhyolite Ridge
Location	Nevada	Nevada	Nevada	Mexico	Nevada
M&I+I Resource (Mt LCE)**	5.7	7.2	18.1	8.8	1.3
Project Area (ha)	1,133	2,197	3,367	8,154	809
Study	PEA	PFS	PFS	FS	FS
Primary End Product	LiCO <sub>3</sub>	LiOH	LiCO <sub>3</sub>	LiCO <sub>3</sub>	LiOH & Boric Acid
Base Case LCE Price (US\$/t)	\$9,500	\$9,500	\$12,000	\$11,000	\$11,740
Mine Life	40	40	46	19	25
Throughput (tpd)	17,000	15,000	13,062	*5,354	7,121
Annual LCE Production (t)	31,900	27,400	56,583	35,000	20,600
Strip Ratio (waste:ore)	0.07:1	0.29:1	1.6:1	3.4:1	7.02:1
OpEx (US\$/t LCE)**	\$3,355	\$3,387	\$4,088	\$3,910	*\$6,274
CapEx (US\$M)	\$528	\$493	\$1,059	\$800	\$785
Post-tax NPV 8% (US\$M)	\$1,299	\$1,030	\$2,591	\$802	\$1,265
Post-tax IRR (%)	31.0%	25.8%	29.3%	21.2%	20.8%
Payback (years)	3.2	4.4	4.6	4.0	5.2
CapEx/NPV 8%	0.4	0.5	0.4	1.0	0.6
Advancements & Next Steps	Advancing to PFS	Advancing to FS; pilot plant ongoing	Permitting, offtakes, and FS ongoing; early-works construction and pilot plant (2022)	Advancing to construction (2023); successful pilot plant program complete; offtakes in place	Successful pilot plant program complete; offtakes in place; detailed engineering and further offtakes ongoing; construction (2023); production (2024)

\*estimated by RCS; \*\*excludes by-products

Source: Company Reports, RCS

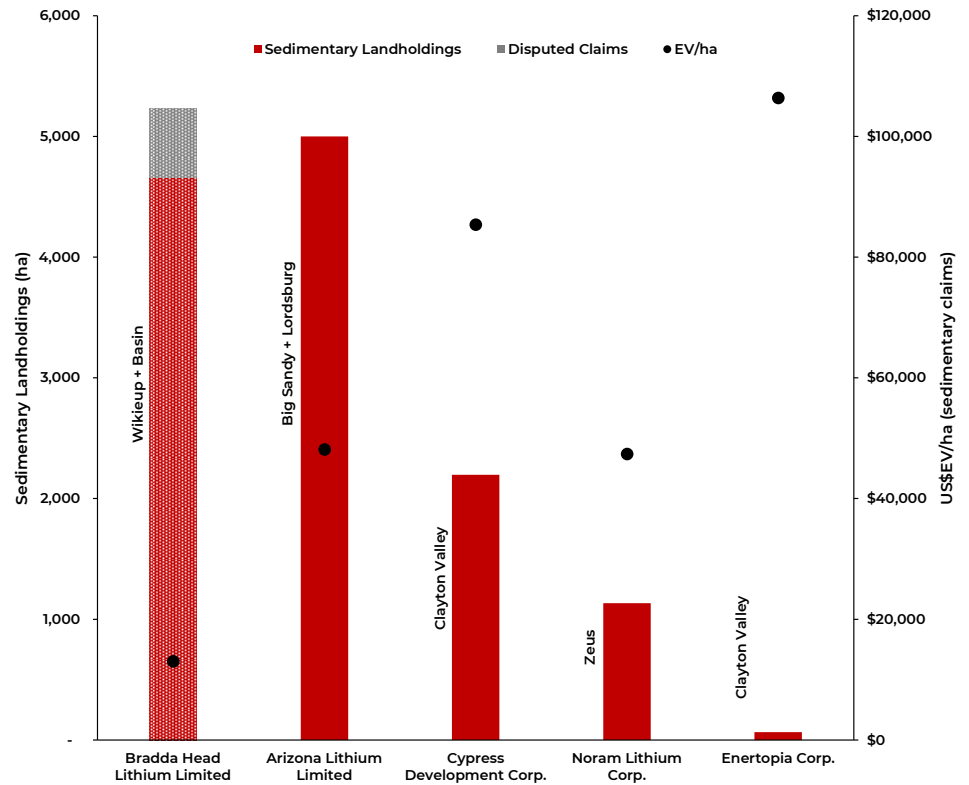
**District-scale potential at Basin and Wikieup sedimentary projects.**

These properties span a ~47km<sup>2</sup> land package in Arizona, and are favourably located next to a large-scale producing mine (i.e. the Bagdad Cu mine). The land package is made up of several sedimentary claims that are proximal to one another and can therefore be developed in tandem as a single district-scale project. We note that these projects comprise one of the largest Li-sedimentary land packages in the US. On an EV/ha basis, Bradda trades at the bottom of its peers based on sedimentary landholdings alone (Figure 5). There are an additional ~5.6km<sup>2</sup> of disputed sedimentary claims at

Wikieup, along with ground from Bradda's Nevada brine projects (which also show Li-clay potential) that were excluded in the EV/ha calculation.

Basin and Wikieup comprise a ~47 km<sup>2</sup> sedimentary land package in AZ

**Figure 5: Bradda's Li-clay landholdings vs. pure-play Li-clay companies**



Source: Company Reports, S&P Capital IQ

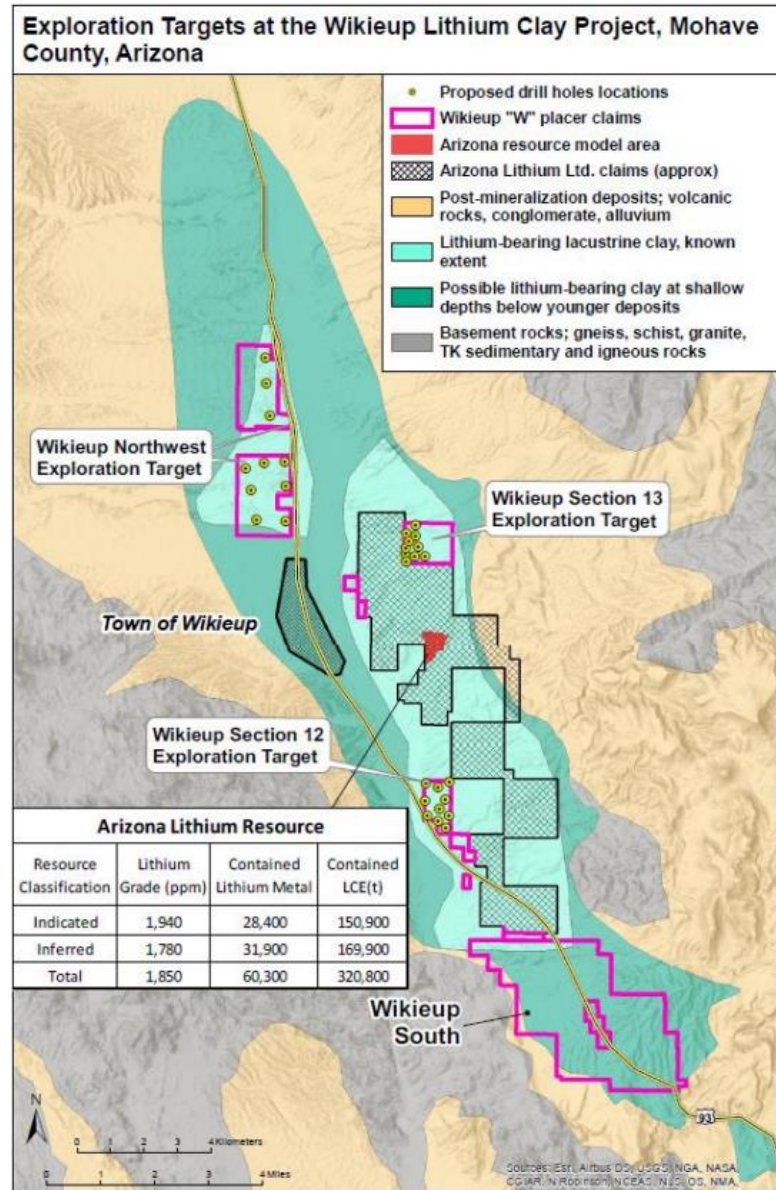
**Fresh resource at Basin.** Included in the Basin claims is the 3.78km<sup>2</sup> Basin East (BE) property. A 10-hole drill program was recently completed at BE, which fed into an updated resource of **75.2 Mt at 763 ppm Li for 305 kt LCE**, which includes a higher-grade core of **8.3 Mt at 1,300 ppm Li for 58 kt LCE**. The program also provided sample material for preliminary metallurgical testing, which returned high Li extraction of 99% from leach ([read more](#)). Importantly, drilling revealed that the higher-grade Upper Clay zone thickens to the NW towards Bradda's other claims, which bodes well for resource expansion. The 2022 update saw the BE resource grow by 65% to 305 kt LCE by increasing the drilled-off area by ~20% to 1.1 km<sup>2</sup> (or ~2.4% of the ~47km<sup>2</sup> land package).

Drilling at Basin East covers just 2.4% of BHL's sedimentary landholdings

**Ongoing drilling could feed into a maiden resource at Wikieup.** Bradda is partway through its 28-hole drill campaign at Wikieup ([read more](#)), and depending on the results, we might expect a maiden resource. Wikieup covers ~8x more ground than BE, and the ongoing drill program is ~3x the size as the one recently completed at BE. We note that Wikieup covers similar ground to Arizona Lithium's (ASX:AZL, Not Rated) neighbouring ~321 kt LCE Big Sandy deposit, which was delineated over a much smaller footprint than what the ongoing Wikieup drill program is currently testing (Figure 6). Once completed, Bradda will have drilled on claims covering ~15% of its entire sedimentary land package. All assays from the ongoing drill program are pending, with initial results expected in Q2/22.

Figure 6: Map over Wikieup and neighbouring Big Sandy deposit (~321 Mt LCE)

Wikieup is directly adjacent to the ~321 kt LCE Big Sandy deposit



Source: Company Reports

Multimillion-tonne potential at Basin and Wikieup LCE

**Wikieup and Basin East are just the start.** Drilling is planned across the remaining claims through the remainder of the year, with each upcoming program potentially following with a resource estimate. At the Basin area alone, Bradda plans to increase drill coverage to ~2.8km<sup>2</sup> (~6% of the ~47 km<sup>2</sup> land package), and the consultants who prepared the new resource provided an exploration target of up to 6 Mt LCE. **With plenty of ground to cover and widespread mineralization observed at surface, we believe these claims have potential to host a multimillion-tonne LCE resource.**

**Major players are putting more faith into sedimentary deposits,** as evidenced by Chinese major Ganfeng Lithium's (SZSE:002460, Not Rated) recent takeover of Li-clay developer Bacanora (in a deal that valued Bacanora at ~£260M), Ganfeng's investment into Lithium Americas (TSX:LAC, Not Rated) and subsequent involvement in carrying out metallurgical tests for LAC's Thacker Pass Li-clay project, and Lithium Royalty Corp.'s (LRC) (Private, Not Rated) investments into several Li-clay developers, including Bradda Head ([read more](#)). Last year, Albemarle also

Major Li players are investing more in Li-clay deposits

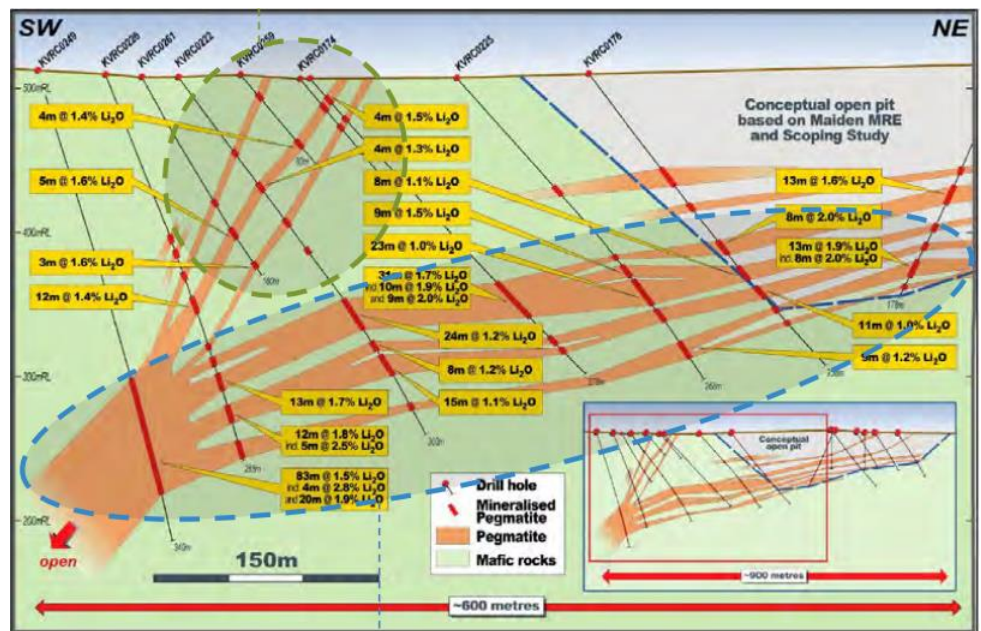
San Domingo is a potential analog to the ~5.3 Mt LCE Kathleen Valley deposit

announced and that it would begin evaluating Li-clay potential at its Silver Peak operation. Looking to non-producers, Tesla (NASDAQ:TSLA, Not Rated) reportedly secured 10,000 acres of Li-rich clays in Nevada, according to CEO Elon Musk.

**LRC financing puts a major stamp of approval on Bradda Head.** Per the agreement, LRC has been granted a 2% gross overriding royalty over Bradda’s Basin and Wikieup projects for total consideration up to US\$8M, split over three milestone payments: 1) US\$2.5M upon closing (which occurred Dec/21, [read more](#)); 2) US\$2.5M should Bradda delineate a 1 Mt LCE resource grading at least 800 ppm Li across the claims; and 3) US\$3M should Bradda delineate a 2.5 Mt LCE resource grading at least 800 ppm Li across the claims. The royalty payments are expected to help fund an early-stage technical study, drilling, further metallurgical testing, baseline studies, and social outreach programs for these projects. An equity financing concurrently took place, whereby LRC, along with a director of LRC, collectively invested US\$2.5M directly into the company; these proceeds are not required to be spent at Bradda’s sedimentary claims. LRC is a leading Li royalty company with immense technical and financial expertise for Bradda to benefit from. In our view, the royalty component is indicative of LRC’s bullish stance on the resource growth potential at Basin/Wikieup, while the equity component signals LRC’s favourable view of Bradda’s management team and their ability to add value across the company’s entire portfolio.

**San Domingo pegmatite project has serious discovery potential.** Also in Arizona, San Domingo has at least ten known Li-bearing pegmatite dykes. These outcropping dykes have returned rock chip samples of 1.97% Li<sub>2</sub>O over 5m and grab samples up to 8% Li<sub>2</sub>O – the highest grade theoretically possible from pure spodumene. Management believes San Domingo could be an analogue to the ~5.3 Mt LCE Kathleen Valley deposit in Australia, in that these dykes could coalesce at depth into a large feeder system. Bradda plans to test this theory in Q2/22 through a ~250-300m drill program.

**Figure 7: Cross-section through Kathleen Valley deposit, showing outcropping dykes (green oval) and buried feeder system (blue oval)**



Source: Company Reports

**Geophysics at Eureka and Wilson show both Li in brine and clay potential**

**The Eureka and Wilson brine projects** are located in Nevada. Both Eureka and Wilson have returned positive sampling results up to 192 ppm Li and 550 ppm Li, respectively. Recent geophysics at Eureka revealed a potential brine reservoir at ~300-2,000m depths over a 12km strike length, along with Li-clay potential from near-surface to ~100m depths. Two drill programs, one for each the brine and clay target, are planned at Eureka in H2/22. At the Wilson Salt Flat project, previous geophysics have identified a potential basin up to ~5km long and ~150-400m deep. Bradda recently received permits to allow for drilling two 305m holes, spaced ~2km apart to test the brine target in H2/22. Similar to Eureka, the company is also planning a shallower drill program at Wilson to test the Li-clay potential above the brine target. While early-stage, both projects show similar geological features (i.e. sedimentary sequence bounded by basin margin faults) to deposits in the nearby Clayton Valley region, including Silver Peak.

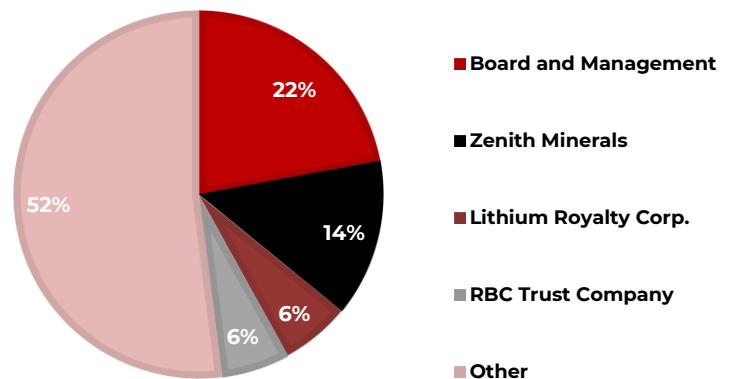
**Our valuation is based on Basin and Wikieup alone**

**San Domingo pegmatites and Nevada brines present free upside.** Our valuation is based solely on Bradda’s sedimentary claims in Arizona. In our view, the market has only partially priced in the vast resource growth potential across these claims and none of the upside from San Domingo, Wilson, and Eureka projects. In other words, we think Bradda Head is undervalued based on Basin and Wikieup alone.

**Bradda’s board and management own a ~22% stake in the company**

**A strong management team with skin in the game.** At the helm is CEO Charles FitzRoy. Mr. FitzRoy has a unique background; a geologist by trade, he spent five years in the British Army and another five in mining finance, providing him with a rare combination of technical, managerial, and financial expertise. On the board is Non-Executive Chairman Ian Stalker, a seasoned mining executive with over 45 years of experience with a track record of taking projects from exploration to start-up. He is the former CEO of UraMin Inc. – a role he held from 2005 until its US\$2.5B acquisition. Also on the board is Non-Executive Director, James (Jim) Mellon – a famous entrepreneur, investor, author, and philanthropist who is serially rated amongst the top 10% in the Sunday Times Rich List. We are also encouraged to see the board and management collectively own a healthy ~22% stake in the company.

**Figure 8: Ownership structure of Bradda Head Lithium Ltd.**



Source: Company Reports

2022 is expected to be very catalyst-rich

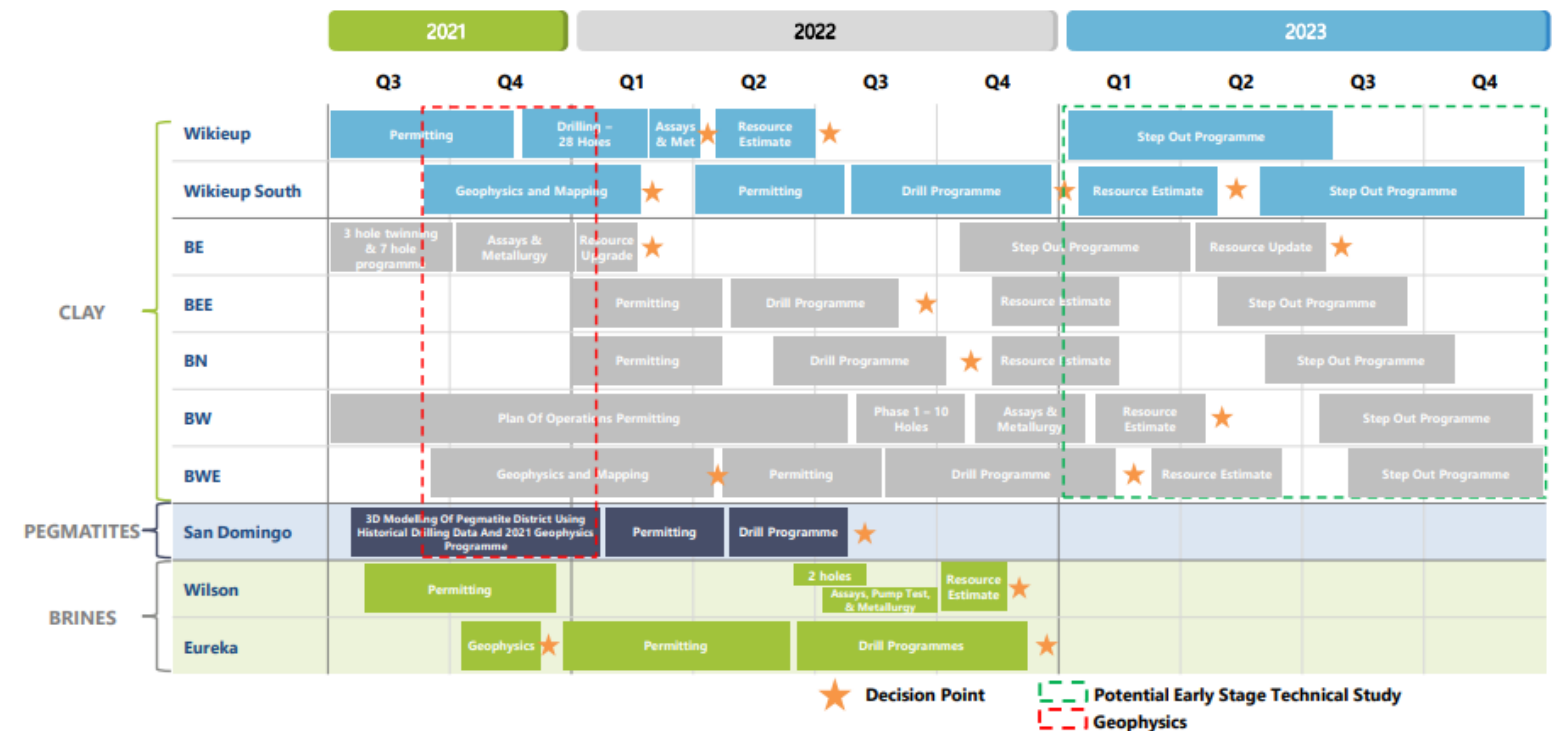
### Catalysts

**A catalyst-rich 2022, with drills turning across all projects.** Assays from the ongoing Wikieup program remain pending, which are expected in Q2, and depending on the results, we may see a maiden resource for Wikieup. Drill permitting is underway for Basin West, Basin East Extension (BEE), and Basin North (BN), where drilling is anticipated to commence in Q2-Q3. The company also plans to begin drill permitting at Wikieup South and Basin West Extension (BWE) in Q2, and potentially return to Basin East to conduct a step-out drilling program in Q2. Meanwhile at the brines, drilling is expected to commence at both Wilson and Eureka mid-year. At San Domingo, drilling is anticipated in Q2. All programs may potentially follow with a resource estimate. We note that with the LRC financing behind it, Bradda is funded to produce an early-stage technical study for its Arizona sedimentary claims, which is expected to start in 2023. On the corporate front, the company is looking at a TSXV listing, which we expect could provide increased liquidity and access to Canadian investors.

### Upcoming catalysts for Bradda Head Lithium include:

1. Wikieup assays and possible maiden resource (Q2-H2/22)
2. Metallurgical test results from Basin/Wikieup (H1/22)
3. Drilling at other sedimentary claims (Q2/22-2023)
4. TSXV listing (H1/22)
5. Resource estimates for other sedimentary claims (Q4/22-2023)
6. San Domingo drilling (Q2/22)
7. Eureka and Wilson drilling (Q2-Q3/22)
8. Early-stage technical study for sedimentary claims (2023)

Figure 9: Bradda Head's exploration timeline



Source: Company Reports

## Valuation and Financial Analysis

**Our £0.45 price target was derived by applying our probability-weighted valuation methodology to Bradda Head's Arizona sedimentary projects (Basin and Wikieup).** This methodology accounts for the probability of each scenario being achieved, along with the time and money required to achieve them. As previously stated, the Wilson, Eureka, and San Domingo projects were not included in our valuation, representing free upside to our appraisal. Our three valuation scenarios are as follows:

**We believe BHL could potentially delineate ~6 Mt LCE in five years time**

1. **Lower Case: ~305 kt LCE (£0.07/sh) – 10% probability** – Our Lower Case assumes that zero resource growth beyond the new 305 kt LCE resource at Basin East (BE). We see this scenario as least likely, as ongoing drilling at Wikieup could potentially feed into a resource, and most of Bradda's sedimentary claims remains undrilled. We highlight that drilling at BE spans only ~2.4% of Bradda's sedimentary claims, and that Bradda is strongly incentivized to grow its resources to unlock additional funds up to US\$5.5M per the royalty financing.
2. **Base Case: ~2 Mt LCE (£0.38/sh) – 70% probability** – This case assumes that Bradda Head delineates ~2 Mt LCE at Basin/Wikieup. We view this scenario as most likely, given the extensive drilling planned across these claims in the next two years (Figure 9). The existing resource covers just BE, and by year-end 2023, we expect to see drilling on an additional six property areas: northern Wikieup claims (where drilling is ongoing), Wikieup South, Basin East Extension, Basin North, Basin West, and Basin West Extension. We note that achieving this scenario could unlock the second milestone royalty payment of US\$2.5M (i.e. should 1 Mt LCE grading at least 800 ppm Li be delineated).
3. **Upper Case: ~6 Mt LCE (£0.85/sh) – 20% probability** – Our Upper case assumes that Bradda grows the resource to ~6 Mt LCE, equivalent to the upper exploration target for the Basin area (see page 5), in five years time. We believe that by this time, Bradda may sufficiently have drill tested most of its land package. This could provide Bradda with a much-improved geological interpretation, allowing it to better prioritize which prospects to focus on in order to most efficiently grow any already-delineated resource zones. We note that achieving this scenario could unlock the third milestone royalty payment of US\$3M (i.e. should 2.5 Mt LCE grading at least 800 ppm Li be delineated).

As outlined in Figure 10, in each scenario, we try to account for time, money and the cost of capital to further define the target. To achieve each case, we assume the company's share price progressively increases or decreases with exploration success or failure. Additionally, the capital required to achieve each case is reduced by any work done in a lower case (i.e. to achieve the Upper Case, £11M in additional capital is required to supplement the £3M required to achieve the Base Case for a total of £14M). We applied an in-situ value of US\$100/t LCE based on a select subset of Bradda's peers that are US-focused, pure-play Li-clay explorers (more on this shortly). We account for time value using an 8% discount rate and convert USD to GBP using an FX assumption of 0.75 USD/GBP. **Our £0.45 price target generates a 169% return to target and justifies our BUY rating.** We note that with each new piece of exploration data, we plan to adjust our estimates.

**Figure 10: Probability-weighted valuation**

Scenario	Description	Potential Value (£M)	Cost to Achieve (£M)	Shares to be issued to achieve this case	Est. Share Count When Achieved	Per Share Value (£)	Time to Achieve (Years)	Time Adjusted Per Share Value (£)	Probability
Lower Case	~305 kt LCE (US\$100/t)	£22.9	£0.0	0.0	317.4	£0.07	0.00	£0.07	10%
Base Case	~2 Mt LCE (US\$100/t)	£150.0	£3.0	18.3	335.7	£0.45	2.00	£0.38	70%
Upper Case	~6 Mt LCE (US\$100/t)	£450.0	£14.0	24.5	360.2	£1.25	5.00	£0.85	20%
<b>Probability Weighted Valuation Estimate</b>								<b>£0.45</b>	

**Notes:**  
 Discount rate of 8%, FX of 0.75 USD/GBP  
 To achieve downside case, shares issued at current share price  
 Medium case shares issued in 3 tranches at an average price of £0.16  
 Upside case shares issued in 3 tranches at an average price of £0.45  
 Capital to be raised in subsequent cases, reduced by prior case  
 Assumed that any in the money warrants/options would reduce the required capital to be raised and would have a roughly neutral impact

Source: RCS Estimates

**AZL provides a reasonable comparable for Bradda Head**

**Our in-situ value is based on a subset of Bradda’s peers.** We typically apply an in-situ value based on peer average EV/resource – but simply doing so would have led to a value that we felt would be overly optimistic, and so we took a more conservative approach. Because we are valuing solely Bradda’s sedimentary claims, we opted to look only at peers that are entirely focused on Li-clay exploration (Figure 11). Within this subset, peers traded at ~US\$199/t LCE. This number is upward biased due to Arizona Lithium (ASX:AZL, Not Rated) having a much higher EV/t, and excluding it would have returned an average multiple of ~US\$16/t LCE. As we explain below, we believe Arizona Lithium may be the most appropriate peer to value Bradda’s sedimentary claims, hence its consideration is well warranted. We therefore ascribed a ~US\$100/t multiple to value Bradda’s sedimentary claims, representing an approximate mid-point between the two aforementioned multiples. Applying the US\$100/t in-situ value to Bradda’s current EV suggests the market has priced in an implied mineral inventory of ~609 kt LCE for Bradda – significantly less than the probability-weighted estimate of ~2.6 Mt LCE implied in our valuation.

**Figure 11: Peer analysis – pure-play Li-clay companies only**

Company	Ticker	Price (£/sh)	YTD Perf.	Shares (M)	Mkt. Cap £M	Cash £M	Debt £M	EV £M	P/NAV	US\$EV/t LCE	US\$EV/ha Sed. Claims	
<b>Bradda Head Lithium Limited</b>	<b>AIM:BHL</b>	<b>£0.17</b>	<b>94%</b>	<b>317</b>	<b>£53.1</b>	<b>£7.4</b>	<b>£0.0</b>	<b>£45.6</b>	<b>0.38x</b>	<b>\$200</b>	<b>\$13,061</b>	
Arizona Lithium Limited	ASX:AZL	£0.09	43%	2227	£191.0	£10.5	£0.0	£180.6	NA	\$750	\$48,151	
Cypress Development Corp.	TSXV:CYP	£1.03	-24%	149	£152.4	£11.6	£0.0	£140.7	0.39x	\$26	\$85,392	
Enertopia Corp.	OTCPK:ENRT	£0.03	5%	156	£5.5	£0.3	£0.0	£5.2	NA	\$12	\$106,389	
Noram Lithium Corp.	TSXV:NRM	£0.46	-23%	92	£41.7	£1.4	£0.0	£40.3	NA	\$9	\$47,386	
								<b>Median</b>	£90.5	0.39x	\$19	\$66,771
								<b>Average</b>	£91.7	0.39x	\$199	\$71,829

*EV/ha based on attributable sedimentary-only land package  
 EV/t LCE based on attributable M&I resources, and excludes any non-Li resources and by-products  
 Ioneer Ltd. excluded from pure-play Li-sedimentary companies due to significant boron component and unique geology  
 Peer financial metrics as of the latest financial statements; peer P/NAV based on analyst consensus*

Source: S&P Capital IQ, Company Reports

**Arizona Lithium provides a sensible comparable.** Arizona Lithium is entirely focused on Li-sedimentary properties in the southwest US, and its resources are located directly adjacent to Wikieup. Like Bradda, Arizona Lithium’s resources represent a small portion of its large land package – which could explain why both companies trade at higher EV/t LCE values,

**San Domingo, Wilson, and Eureka provide free upside to our valuation**

as the market may have partially priced in the added resource growth potential. Arizona Lithium still trades at ~3.8x and ~3.7x Bradda's EV/t and EV/ha, respectively, despite both companies holding similar ground with similar resources, and despite Bradda's brine and pegmatite assets being excluded from its EV/ha.

**We chose not to value Bradda by its land package.** However, if we were to do so based on the peer average of ~US\$70,000/ha (Figure 11), we would arrive at an implied NAVPS of ~£0.77/sh based on Basin and Wikieup alone. We may reconsider our valuation methodology as we learn more about the resource potential at each sedimentary claim block. Notably, Bradda Head's EV/ha is at the very bottom of its peer group.

**Brine and pegmatites assets were not considered at this time,** as we believe these assets (Wilson, Eureka, and San Domingo) are too early-stage to allow for meaningful valuation estimates. Nevertheless, Bradda still has upside exposure from these other Li targets. In Figure 12, we added other companies that have at least one Li-clay asset in the US but may also have significant interests elsewhere (whether its brines or pegmatites, or other commodity exposure). Within this more comprehensive peer group, Bradda trades at a discount on a P/NAV basis (0.38x vs. peers at 0.59x) and on an EV/t LCE basis (US\$200 vs. peers at US\$250).

**Figure 12: Peer analysis – extended peer group**

Company	Ticker	Price (£/sh)	YTD Perf.	Shares (M)	Mkt. Cap (£M)	Cash (£M)	Debt (£M)	EV (£M)	P/NAV	US\$EV/t LCE
<b>Bradda Head Lithium Limited</b>	<b>AIM:BHL</b>	<b>£0.17</b>	<b>94%</b>	<b>317</b>	<b>£53.1</b>	<b>£7.4</b>	<b>£0.0</b>	<b>£45.6</b>	<b>0.38x</b>	<b>\$200</b>
ioneer Ltd	ASX:INR	£0.31	-33%	2119	£654.5	£80.0	£0.1	£574.6	0.69x	\$1,226
Arizona Lithium Limited	ASX:AZL	£0.09	43%	2227	£191.0	£10.5	£0.0	£180.6	NA	\$750
Lithium Americas Corp.	TSX:LAC	£26.06	17%	136	£3,532.0	£377.1	£201.9	£3,356.8	0.95x	\$131
American Lithium Corp.	TSXV:LI	£2.41	-7%	218	£525.5	£34.5	£0.6	£491.6	0.34x	\$55
Cypress Development Corp.	TSXV:CYP	£1.03	-24%	149	£152.4	£11.6	£0.0	£140.7	0.39x	\$26
Spearmint Resources Inc.	CNSX:SPMT	£0.08	-14%	259	£19.7	£1.7	£0.0	£17.9	NA	\$24
Jindalee Resources Limited	ASX:JRL	£1.72	36%	60	£102.2	£4.7	£0.0	£97.5	NA	\$13
Enertopia Corp.	OTCPK:ENRT	£0.03	5%	156	£5.5	£0.3	£0.0	£5.2	NA	\$12
Noram Lithium Corp.	TSXV:NRM	£0.46	-23%	92	£41.7	£1.4	£0.0	£40.3	NA	\$9
<b>Median</b>		£140.7						0.54x		\$26
<b>Average</b>		£545.0						0.59x		\$250

*EV/t LCE based on attributable M&I+I resources, and excludes any non-Li resources and by-products (e.g. boron was excluded from Ioneer's resource)*

*Attributed 50% control for Ioneer's Rhyolite Ridge, 44.84% control for Lithium Americas' Cauchari-Olaroz*

*Peer financial metrics as of the latest financial statements; peer P/NAV based on analyst consensus*

Source: S&P Capital IQ, Company Reports

**With the LRC financing behind it, BHL is cashed up for 2022**

**Cashed-up for the busy year ahead.** With the LRC financing behind it, Bradda ended 2021 with ~US\$9.9M in cash. As previously noted, there is potential for further cash injections up to US\$5.5M from the LRC royalty financing.

**Figure 13: Bradda Head's capital structure**

Tickers	AIM:BHL, OTCQB:BHLIF
Shares Outstanding (M)	317.41
Options (M)	23.61
Warrants (M)	5.26
Fully-diluted (M)	346.28
Market Cap (£M)	£53.07
Cash (US\$M)	\$9.90
Debt (US\$M)	\$0.00

*\*Cash as of YE2021*

Source: Company Reports

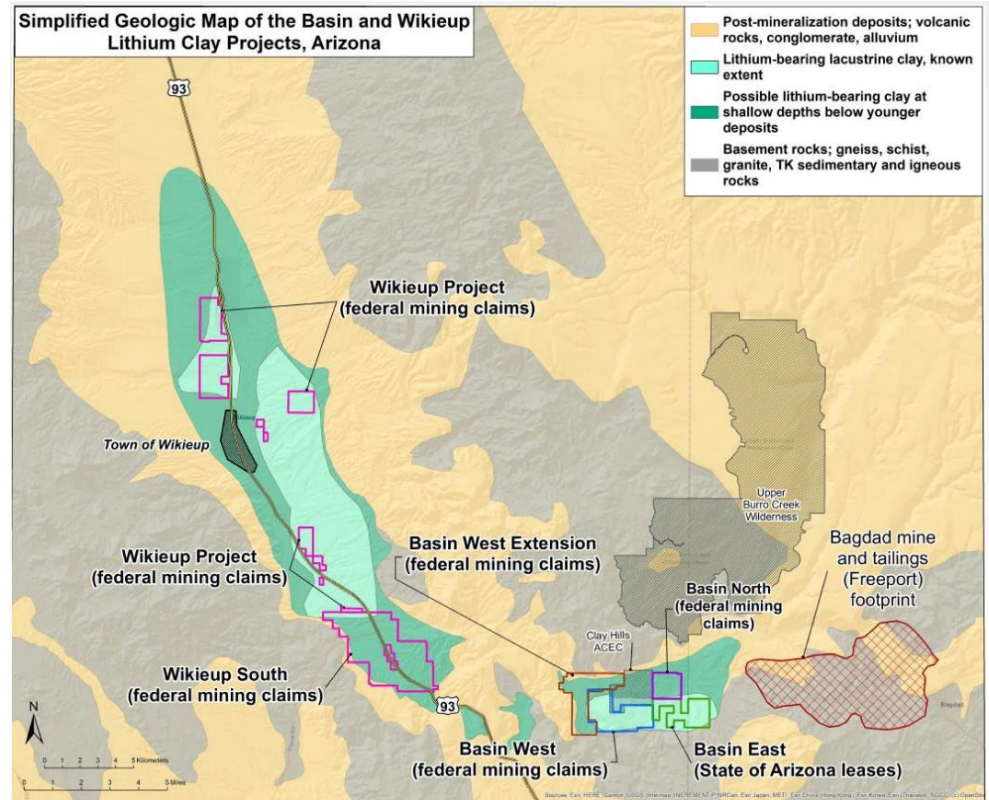
100% ownership of ~47km<sup>2</sup> of Li-sedimentary claims

## Assets

### Basin and Wikieup Clay Projects

Bradda Head holds a 100% interest in ~47km<sup>2</sup> of Li-sedimentary claims in Arizona, comprising the Wikieup claims, including Wikieup South, and Basin claims, including Basin East (BE), Basin East Extension (BEE), Basin West (BW), Basin West Extension (BWE), and Basin North (BN). These properties are made up of several federal mining claims, with the exception of BE and BEE, which comprise State of Arizona leases.

Figure 14: Map over Wikieup and Basin claims, showing geology



Source: Company Reports

Located in an active mining district in Arizona

### Location and Infrastructure

Basin and Wikieup are situated in west-central Arizona in an active mining district. The BE property is located ~10km from Freeport-McMoRan's (NYSE:FCX, Not Rated) operating Bagdad Cu mine and ~26km from the Big Sandy Li project owned by Arizona Lithium Ltd. (ASX:AZL, Not Rated). A gas pipeline and high voltage power line are both located within 1km of the project, while significant volumes of fresh water have been intersected beneath the Li-bearing clays that could potentially support future process water requirements. A major highway (US Route 93) runs through the project area. The BW property is located ~5km west of BE, while the Wikieup project is located ~18km and ~22km NW of BE and BW, respectively. Part of the Wikieup property is contiguous with the Big Sandy Li project.

### Regional and Project History

The first mining claims were staked in the area in 1882. Copper mining commenced in 1928 but ceased shortly after the Wall Street crash of 1929. Open-pit operations began at the Bagdad mine in 1945 and remains operating today.

In Oct/16, Bradda Head and Zenith Minerals Ltd. (ASX:ZNC, Not Rated), entered into an option agreement to acquire a 100% interest in Wikieup, BE, and BW. The projects were maintained in a joint venture between Bradda and Zenith until Feb/21 when Zenith sold its 45% stake in the properties to Bradda Head in consideration for cash and shares. Bradda doubled its land package through staking (adding BWE, BN, and significant ground to Wikieup) in Jul/21, and in Jan/22, Bradda fully exercised its previous option, earning a 100% interest in the entire land package.

The projects are geologically analogous to the Big Sandy Li project

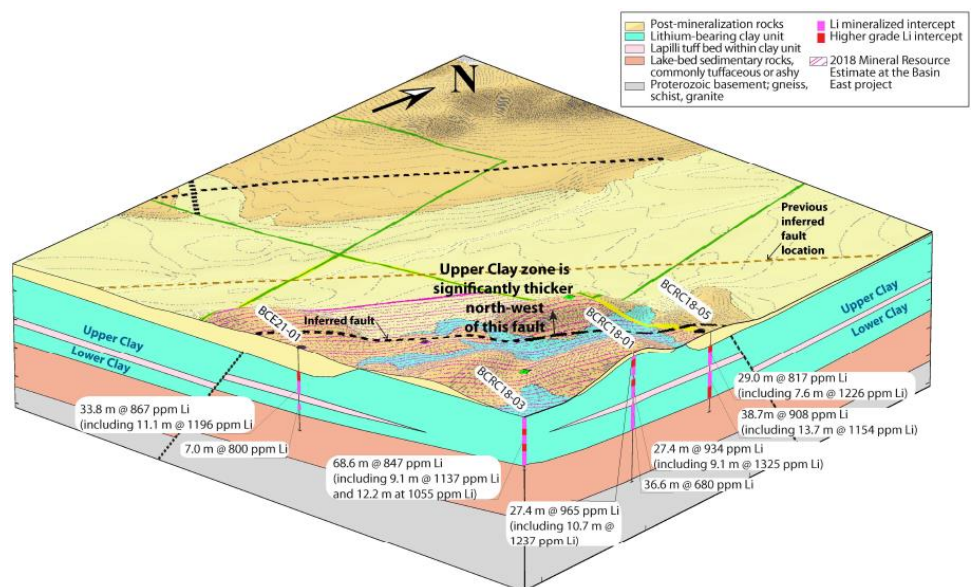
### Geology, Exploration, and Resources

All three properties lie between the Colorado Plateau and the Basin and Range provinces. The area is dominated by Pre-Cambrian granitic intrusions and metamorphic rocks which are overlain mainly by Tertiary sediments, pyroclastics and lava flows. A series of faults that were active in the Miocene and Oligocene epochs resulted in the development of a number of basins in the area. All three properties are thought to be geologically similar to the neighbouring Big Sandy project, as they are interpreted to be part of the same horizon. As of today, most of Bradda's sedimentary ground remains unexplored.

Initial exploration at Basin occurred in the 1980's. In 2016, five historical drill holes at BE were sampled, returning results of 465-3,577 ppm Li. The project area was mapped and a saponite bearing clay horizon was identified, which suggested potential to locate mineralized clay at or near the surface over most of the project area. In 2017 a surface sampling program was completed returning results of over 1,500 ppm Li along with a geophysical program to determine the thickness of the clay. A 14-hole reverse circulation (RC) program was completed in the spring of 2018, which fed into a maiden, JORC-compliant inferred resource of 42.6 Mt at 818 ppm Li for 185 kt LCE. A ten-hole diamond drilling program was completed in Nov/21, with seven holes completed in new locations, while three were twinned holes from the 2018 RC program. Importantly, the program returned the thickest intersections to date up to 98.6m at BE ([read more](#)) and confirmed the company's theory, based on 2021 geophysics, that the higher-grade Upper Clay zone thickens towards the NW towards Bradda's other claims (Figures 15 and 16).

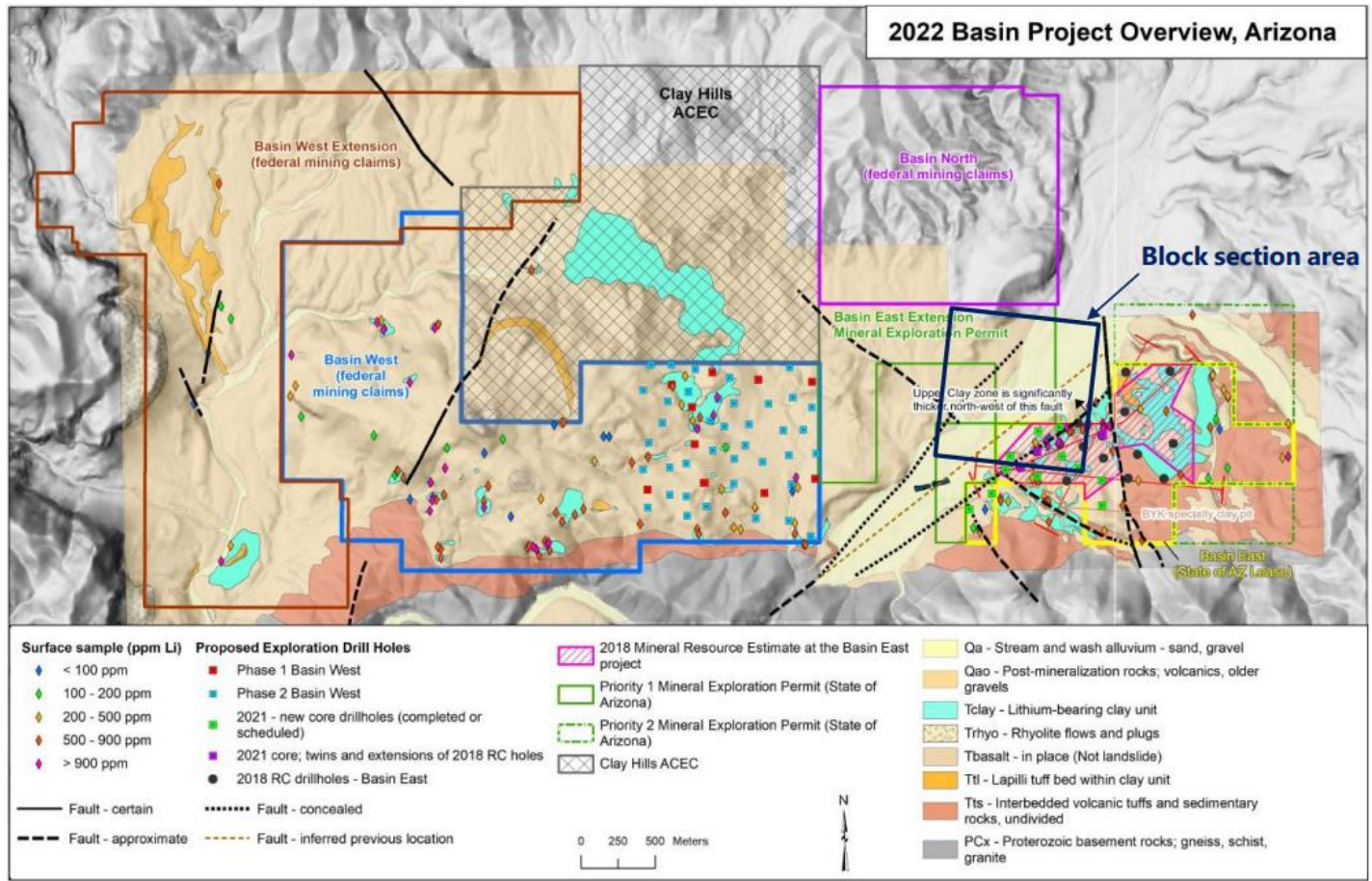
The Upper Clay zone thickens towards Bradda's other claims

Figure 15: Block section area over BE showing geology (see next figure)



Source: Company Reports

Figure 16: Map over Basin claims, showing block section area where Upper Clay zone thickens NW (see prior figure)



Source: Company Reports

Final assays from the ten-hole program were received in Jan/22 ([read more](#)). Subsequently, Bradda Head delivered on its expectations to provide a larger resource of 75.2 Mt at 763 ppm Li for 305 kt LCE, which includes a higher-grade core of 8.3 Mt at 1,300 ppm Li for 58 kt LCE. The new resource is based on a drilled area equal to 2.4% of the Basin/Wikieup claims (was 1.9%). The resource update included an exploration target of 300-1,300 Mt grading 600-850 ppm Li, equivalent to 1-6 Mt LCE, over the BN, BE, BEE, BW, and BWE claims.

Figure 17: 2018 vs. 2022 JORC resource at Basin East

Year	Category	Cut-off (ppm Li)	Tonnes (Mt)	Grades Li (ppm)	Grades K (%)	Contained Metal LCE (kt)	Contained Metal K (Mt)
2018	Inferred	300	42.6	818	3.3	185	1.4
<b>Total 2018</b>	<b>Inferred</b>	<b>300</b>	<b>42.6</b>	<b>818</b>	<b>3.3</b>	<b>185</b>	<b>1.4</b>
2022	Indicated	300	17.6	912	3.4	86	0.6
2022	Inferred	300	57.6	717	3.3	220	1.9
<b>Total 2022</b>	<b>Ind+Inf</b>	<b>300</b>	<b>75.2</b>	<b>763</b>	<b>3.3</b>	<b>305</b>	<b>2.5</b>
<b>Total % Change</b>		<b>0%</b>	<b>77%</b>	<b>-7%</b>	<b>0%</b>	<b>65%</b>	<b>79%</b>

Source: Company Reports

At BW, a sampling program was conducted in 2018, with assays returning 36-1,310 ppm Li over a wide area with average grades of 603 ppm Li. A second sampling program undertaken later that year returned up to 800

The new Basin exploration target ranges from 1-6 Mt LCE

ppm Li with average grades of 386 ppm Li. Average K grades noted in the samples were 2.4%, which is slightly lower than the grade identified at BE.

At Wikieup, sampling and geological mapping programs were conducted in 2018. A total of 156 samples averaged 642.2 ppm Li with the highest sample returning 1,750 ppm Li. The average K grade was 3.9%, higher than both BE and BW. Geophysics completed in 2021 suggested clay thicknesses of up to 90m, comparable to the adjacent Big Sandy deposit. A 28-hole sonic drilling program is ongoing, testing four separate claim blocks (additional details discussed on page 4). Depending on the results, assays could potentially feed into a maiden resource for Wikieup, and we suspect that the Section 12 and/or 13 targets make suitable potential candidates for the resource zone, based on the tight drill spacing (Figure 6).

### Metallurgy

Initial metallurgical testing was conducted at Basin East in 2017; leaching tests and preliminary results showed that Li extraction of 90% is possible. Using samples from the recently completed 10-hole drill program, further metallurgical tests were completed, achieving 99% Li extraction with low levels of deleterious elements after one hour of sulphuric acid leaching at 90° C. This compared favourably to previous test results as well as to results from other lithium clay projects in the US ([read more](#)). The company is now looking to further upgrade Li content via mini-cyclone for classification and froth flotation, and investigate co-product recovery, in a Phase 2 testing program.

It is still early days for Bradda Head, and we expect the company to be able to leverage the work of its peers in terms of metallurgy and processing. Other Li-clay developers, including Noram Lithium (TSXV:NRM, Not Rated, Koby Kushner) and Cypress Development (TSXV:CYP, Not Rated), used similar sulfate-based acid leaching when evaluating their respective projects. Cypress is also evaluating Li recovery using chloride-based leaching in conjunction with Direct Lithium Extraction (DLE) technology via ongoing pilot plant testing. Meanwhile, Lithium Americas (TSX:LAC, Not Rated) is developing a pilot plant to run its full Thacker Pass flowsheet, which is expected to be operational in H1/22. American Lithium (TSXV:LI, Not Rated) also found success using a salt roast/water leaching method for its TLC Li-clay project in Nevada. While Li extraction from clay has yet to be proven on a commercial scale, we believe Ganfeng (SZSE:002460, Not Rated) is on the right track with its Sonora Li-clay project in Mexico, as its pilot plant has been operating successfully by previous owner, Bacanora, for the last several years, producing high-quality battery-grade Li-carbonate samples ahead of planned construction in 2023.

### Next Steps

Exploration activities across all Arizona sedimentary claims are expected to occur in multiple phases, as outlined in Figure 9. A 14-hole sonic drill program has been approved at the BE area. Meanwhile, permitting is underway for 120 holes at BEE and 10 holes at BN, and Bradda expects to commence drilling in Q2/22, with 20 holes planned at BEE. There are also additional metallurgical results expected from BE in the near-term. At Wikieup, the company is looking to conduct initial metallurgical tests using samples from the ongoing drill program, and assays are expected in Q2/22.

Preliminary metallurgy returned up to 99% Li extraction

The Wikieup maiden resource is due in Q2/22

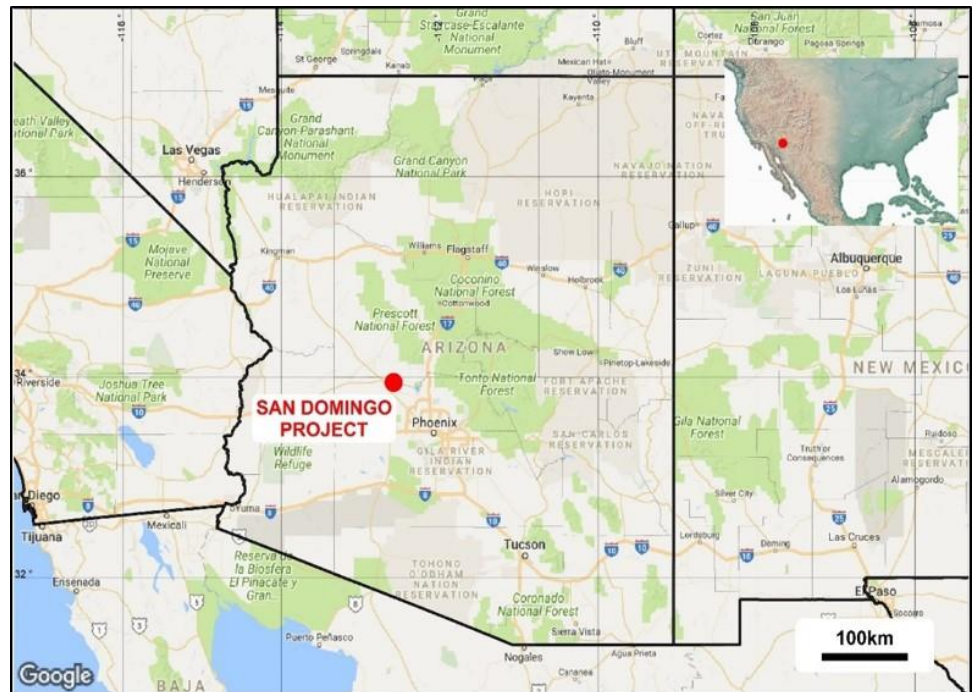
### San Domingo Hard Rock Project

San Domingo is a lithium pegmatite project located in the Maricopa and Yavapai counties of Arizona. The project consists of 68 BLM claims covering an area of ~13.5km<sup>2</sup>, all of which are 100%-owned by Bradda Head.

#### Location and Infrastructure

The project is located 90km NW of Phoenix and about a one-hour drive from the town of Wickenburg. Access to the project is via dirt road from Highway 93.

**Figure 18: Regional map showing San Domingo project location**



San Domingo saw historical production in the late-1940's to early-1950's

Source: Company Reports

#### Regional and Project History

Lithium and tantalum were produced from outcropping pegmatites via small scale mining activities at San Domingo from 1947-1952. No drilling for lithium appears to have been completed since the early 1950's. In Feb/21, Bradda Head acquired all the Li projects previously under JV with Zenith, including San Domingo. Bradda Head subsequently staked another ~5km<sup>2</sup> of ground.

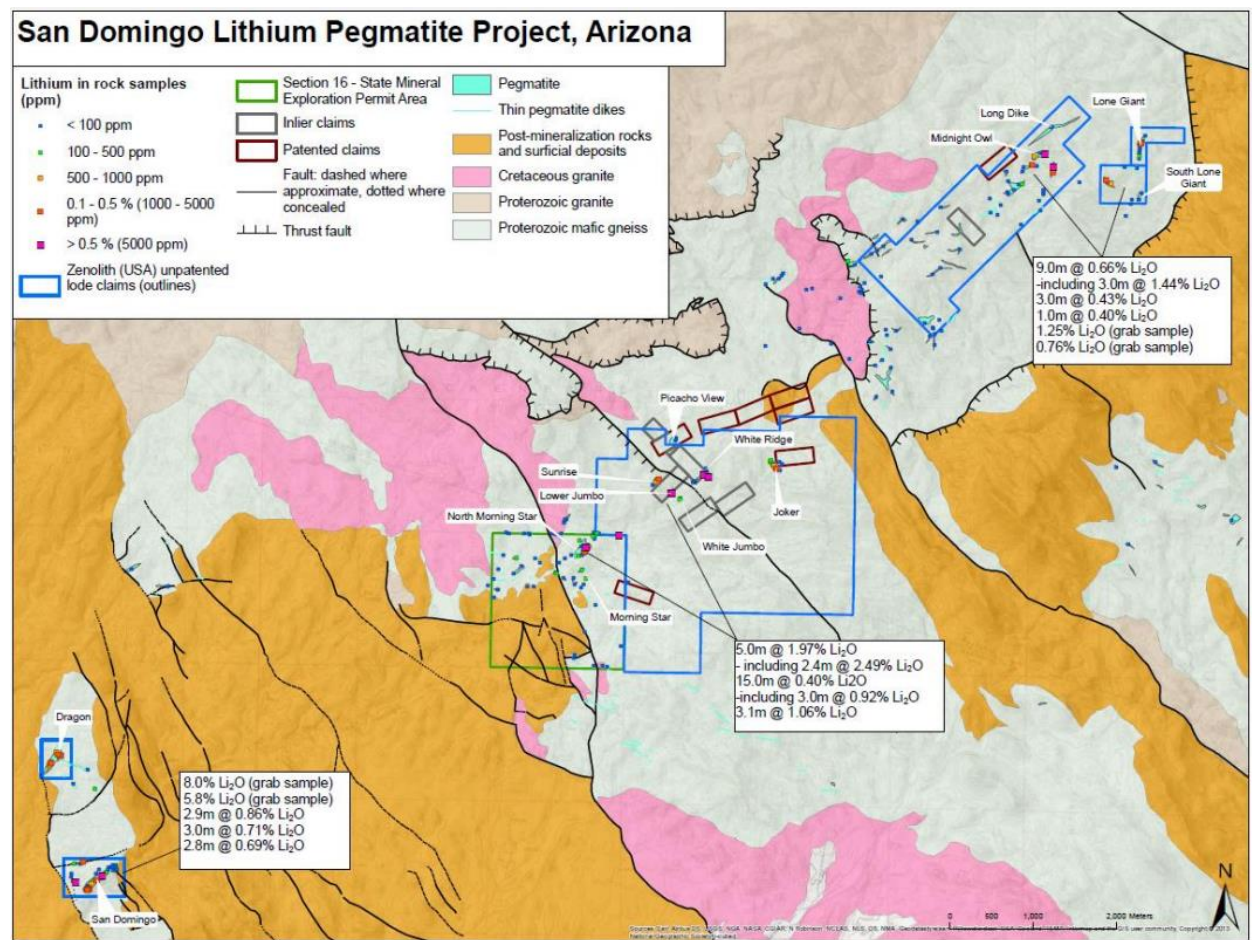
#### Exploration and Next Steps

Initial mapping and sampling of the project identified ten Li-bearing pegmatite dykes, with dimensions of 10m in width and 600m in length. Continuous rock chip sampling by Zenith in 2017 returned very encouraging results of 1.02% Li<sub>2</sub>O over 14.1m including 1.97% Li<sub>2</sub>O over 5m and including 2.49% Li<sub>2</sub>O over 2.4m from spodumene-rich pegmatites. Sampling in the SW area of the project conducted later on in 2017 returned high-grade results, including select grab samples that returned very high-grade results of 5.8% and 8.0% Li<sub>2</sub>O. Systematic composite rock chip sampling of more strongly weathered spodumene-rich pegmatites returned: 0.86% Li<sub>2</sub>O over 2.9m, 0.69% Li<sub>2</sub>O over 2.8m, 0.71% Li<sub>2</sub>O 3m and 0.56% Li<sub>2</sub>O over 3m with the latter two samples being part of a near true width zone of 0.45% Li<sub>2</sub>O over 12.7m.

The outcropping dykes could coalesce at depth into a larger feeder system

Following up on these mapping and sampling results, Bradda Head completed a geophysical survey over the project in Nov/21. Initial results suggest the potential for depth extension of Li-bearing pegmatites, with eventual drilling expected to help support the theory that the dykes extend in towards the central and SW portion of the project area and potentially coalesce at depth. A 250-300m drill program is being planned based on these results and is expected to commence in Q2/22, pending the receipt of drill permits (more on page 6).

Figure 19: Map over San Domingo showing select sampling results and geology



Source: Company Reports

### Wilson Salt Flat and Eureka Brine Projects

Bradda Head's Li-brine projects comprise Wilson Salt Flat and Eureka (formerly Spencer), both of which are situated in Nevada.

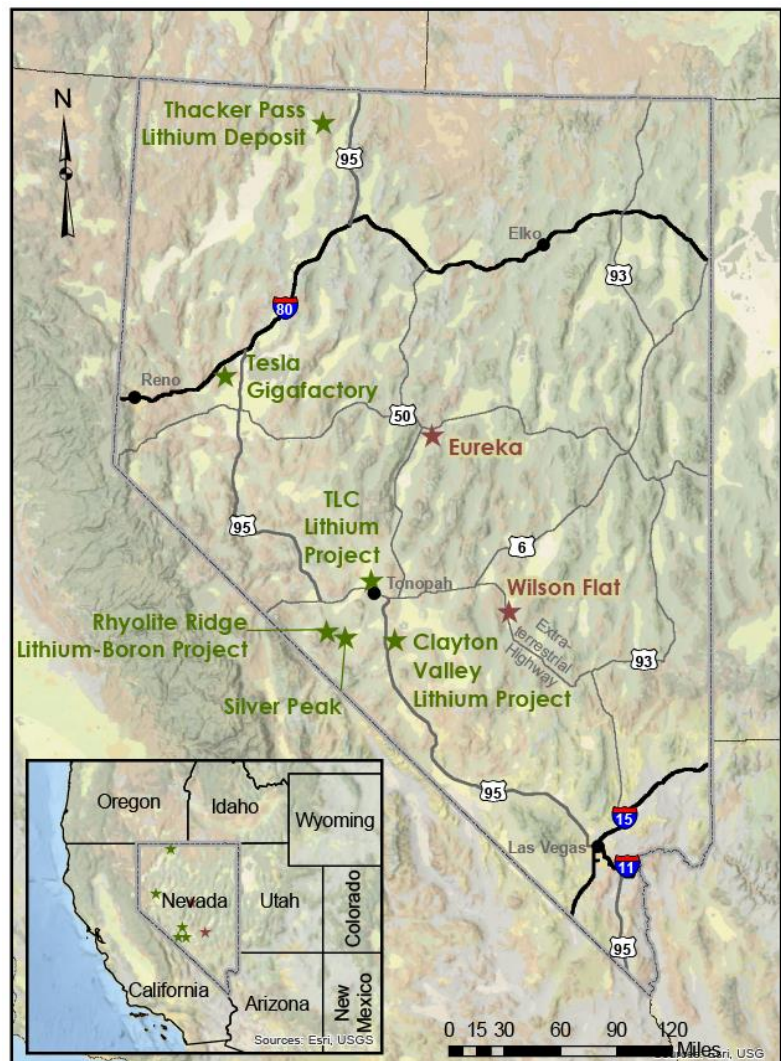
#### Location & Infrastructure

The Eureka Li brine project covers an area of ~11.8km<sup>2</sup> and is located in Lander county, NV, ~321km NE of the Silver Peak Li brine operation, owned and operated by Albemarle Corp. (NYSE:ALB, Not Rated). The closest town is Austin, which can supply labour and materials required for basic exploration activities. The project is also located ~260km E of the Tesla Gigafactory, providing a nearby offtake opportunity should Eureka amount to a sizeable resource. Regional topography is relatively flat, which bodes well for a potential brine operation.

The Wilson Salt Flat Li brine project covers an area of ~13.6 km<sup>2</sup> and is located in Nye county, NV, ~200km east of the Silver Peak operation. The closest town is Tonopah, familiar and supportive of mining activities given the vast mining history in the area. Like the Eureka project, the Wilson Salt Flat is located in a flat area which is ideal for Li brine operations.

**Wilson and Eureka share similar geological architecture as Silver Peak**

**Figure 20: Regional map showing Wilson and Eureka project locations**



Source: Company Reports

### Regional and Project History

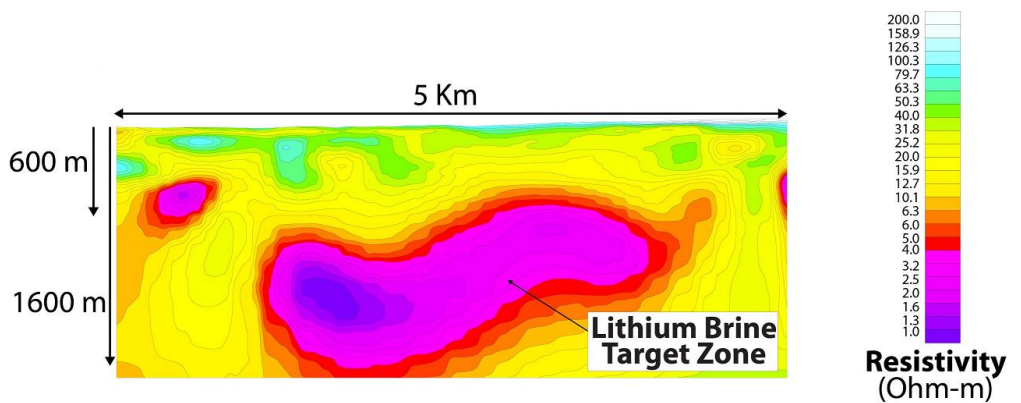
Both Wilson and Eureka are relatively early-stage and have not seen past production – however, we note that Silver Peak is one of the oldest mining communities in Nevada, with mining of gold, silver and other metals dating back to the 1860's. Lithium has been extracted from the Silver Peak mine since the 1960's and the brine operation is currently the only domestic source of Li in the United States.

### Exploration and Next Steps

A reconnaissance-level surface sampling program was completed by the previous operator at Eureka to evaluate the surface distribution of lithium in the vicinity of the project. Samples returned anomalous levels of Li (ranging from 41-550 ppm Li) in clay at surface at 13 different locations. Earlier this year, Bradda completed a geophysical survey at the Eureka project including magnetotellurics (MT) and ground-penetrating radar (GPR). The surveys revealed the presence of a potential brine reservoir at depths ranging from 300m to 2,000m over a strike of 12km. The surveys further revealed the presence of potential clay material down to depths of 100m, similar to its Li-clay projects in Arizona, along with geothermally heated water at depth, which could potentially offer a low-carbon energy source in a future production scenario ([read more](#)). Looking ahead, two drill programs are planned at Eureka in H2/22; a deeper program to test the lower basin and a shallow program to test the clay potential. Bradda received permission to conduct a 23-hole, 1,050m drill program focused on the latter ([read more](#)).

**Geophysics have identified potential Li-enriched brines at depth and clays near surface**

**Figure 21: MT profile through Eureka**



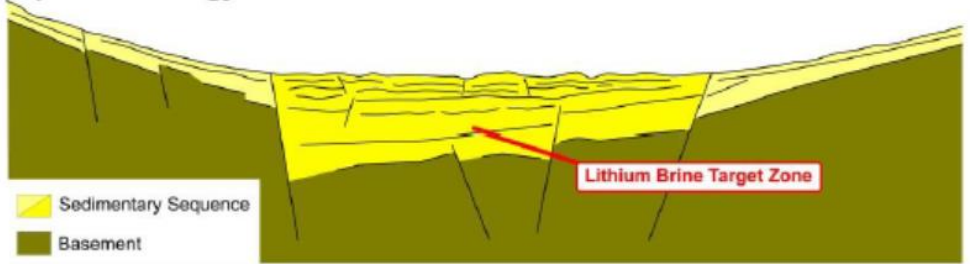
**Permits have been received for both Wilson and Eureka**

Source: Company Reports

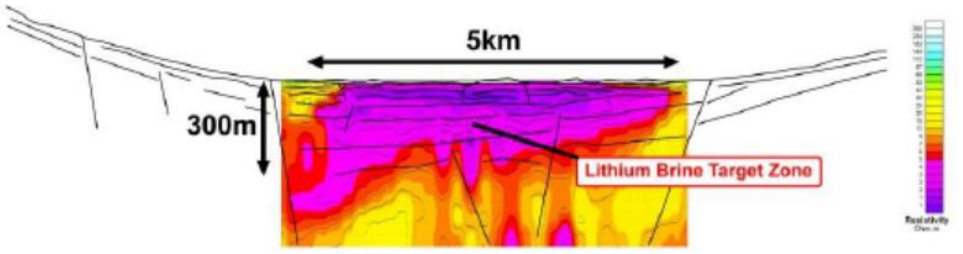
At Wilson, a reconnaissance surface sampling program was also conducted in 2016 by the previous operators. Samples returned grades of 33-192ppm Li. A passive seismic geophysical survey was also completed in 2016 and confirmed the presence of a thick, sedimentary sequence bounded by basin margin faults, similar to those found at Silver Peak. In 2017, a magnetotellurics survey was completed and identified a conductive layer in the upper ~300m and spanning the full width of the project area (more on page 7). In Feb/21 Bradda received permits to drill two, 305m holes, spaced ~2km apart with the goal of obtaining brine samples for geochemical testing ([read more](#)).

Figure 22: Interpreted geology (top) and MT profile (bottom) through Wilson

Interpreted Geology



Magnetotellurics Profile



Source: Company Reports

## Risks

Exploration, development, and mining projects are inherently risky investments given the large initial expenses that are required in advance of any potential revenue. Our view is based on publicly available information and conversations with management. We note that our estimates and view are not without political, social, technical, geological, or financing risks typical for production-stage or developing, critical mineral companies. For Bradda Head Lithium Ltd., four risks are of note.

1. **Geopolitical/jurisdictional risks** – Some of these risks may be out of the control of the company, including royalty and taxation levels, land agreement liabilities, regulatory, environmental and permit requirements and timing, global trade wars and political instability. We note that all of Bradda Head's assets are located in Arizona and Nevada, which are considered to be two top-tier jurisdictions for mining investment.
2. **Technical risks** – This covers a wide variety of issues that we see associated with resource companies including exploration, development and exploitation strategies and methods. It would cover such issues as accuracy of geological interpretation, resource/reserve estimates and economic studies and inputs such as commodity prices, cost and grade fluctuations, assay reconciliation, metallurgical issues, and exploration success. Our positive view relies on using existing technical data, recent exploration results and to a limited extent, expected positive results from future drilling. Future results may differ and negatively impact our assumptions. We note that while the extraction of lithium from sedimentary/clay-type deposits has proven successful in laboratory or pilot plant settings, it has yet to be completed on a commercial scale, to our knowledge.
3. **Corporate risks** – These may include project execution by management, investor relations effectiveness, or market sentiment. Management pedigree and performance are paramount, and market sentiment may also be an issue. While we expect the lithium market to remain robust in the near future, our estimates may be negatively impacted by a change in market sentiment.
4. **Financial risks** – These may occur at the project or corporate level, including variation in valuation parameters/metrics, commodity price or foreign exchange fluctuations, access to credit including debt, equity financing or potential for shareholder dilution.

As new information becomes available, we may refine our numbers and update our risks.

## **Appendix: Management, Directors, and Advisors**

### **Charles Fitzroy – Chief Executive Officer**

Mr. Fitzroy joined Bradda Head in May 2021 from CMOs Corporate Development & Strategy team, where he was part of two \$550M deals. Mr. Fitzroy has a wide range of experience across the Metals and Mining Sector, with most of his focus on M&A, Equity Research, and Strategy. He holds degrees in Geology and Metals & Energy Finance, and is a fellow of the Geological Society and a professional member of MIMMM. Mr. Fitzroy also brings with him considerable management experience from his five years with the British Army.

### **Ian Stalker – Non-Executive Chairman**

Mr. Stalker is a senior international mining executive with over 45 years of hands-on experience in resource development. He has directed over twelve major mining projects, from initial exploration drilling to start-up, including gold, base metal, uranium and industrial minerals. Mr. Stalker was President and Chief Executive Officer of LSC Lithium Corp., a TSX Venture Exchange quoted company, which was sold to Pluspetrol Resources Corporation B.V. for approximately C\$111M in March 2019. Mr. Stalker was also CEO and Chairman of PLU a Peru based lithium and uranium development company. Before that, Mr. Stalker was CEO of UraMin Inc. from 2005 until its acquisition by Areva S.A. in 2007 for US\$2.5B. Prior to joining UraMin, he was Vice President of Gold Fields Ltd, the fourth largest gold producer in the world at the time.

### **Denham Eke – Finance Director**

Mr. Eke began his career in stockbroking before moving into corporate planning for a major UK insurance broker. He is a director of many years' standing of both public and private companies involved in the mining, leisure, manufacturing and financial services sectors.

### **Jim Guilinger – Chief Operating Officer**

With more than 40 years in the minerals industry, Mr. Guilinger has completed numerous industrial and strategic minerals market studies and investigations for clients and companies around the world. Prior to forming World Industrial Minerals, Mr. Guilinger was Director of Exploration and Development in Mexico for Eldorado and managed numerous precious, base, and industrial minerals projects. He has been a private consultant for more than 19 years.

### **James Mellon – Non-Executive Director**

Mr. Mellon is a visionary entrepreneur with a flair for identifying emerging global trends. Most notably and very publically, he predicted the credit crunch of 2007-08 in a book entitled "Wake Up! Survive and Prosper in the Coming Economic Turmoil". The book cited catalysts for the impending crisis including unsustainable levels of consumer debt in the western world, a U.S. housing crash, derivative financial instruments and governmental fiscal mismanagement. His wealth of knowledge and vast experience allows Burnbrae to capitalise on sound opportunistic investments ideas. Through these investments, Mr. Mellon has built a worldwide business empire. Mr. Mellon is serially amongst the top 10% in the Sunday Times Rich List and holds a master's degree in Politics, Philosophy and Economics from Oxford University.

**Euan Jenkins – Independent Non-Executive Director**

Euan finished his 31-year career in banking at J.P. Morgan in London after lengthy periods at ABN Amro and McIntosh Securities. Since then Mr. Jenkins has been involved in a number of capital raisings, seed capital investments and advising companies across a broad range of industries both in Australia and Europe. These include gold, base metals and battery metals industries; biotech, and the property sector. Mr. Jenkins has amassed significant knowledge of financial and jurisdictional systems globally having worked in Melbourne, Sydney, New York, London and Switzerland.

**Alex Borrelli – Independent Non-Executive Director**

Mr. Borrelli initially studied medicine and then qualified as a chartered accountant in 1982. He was subsequently active within the investment banking sector and acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers and acquisitions for private and quoted companies. For the last 15 years, he has been acting as chairman and director of listed companies in a variety of sectors and is currently chairman of Greatland Gold PLC, on AIM.

**Adam Hawkins – ESG Officer**

Mr. Hawkins is an expert in the field of social license to operate and will engender the support needed from the community to develop and sustain Bradda Head's operations from early-stage exploration, through permitting, and to closure. He lectures frequently on the subject and has helped clients across the globe develop successful and lasting community partnerships. Mr. Hawkins started his career as an intern in the United States Senate, later working for political campaigns, as in-house public affairs for Rio Tinto, and a large national law firm, before launching his own practice. He has extensive experience working with elected officials and their staff, key federal regulators such as the Environmental Protection Agency, U.S. Forest Service, Bureau of Land Management, U.S. Fish and Wildlife Service, Mining Safety and Health Administration, and Army Corps of Engineers, as well as state regulators throughout the Western and Northern United States. Mr. Hawkins was, until 2020, President of the Board of the American Exploration and Mining Association.

**Don Hains – Technical Consultant**

Don is an industrial minerals exploration and economic geologist with extensive experience in development, use and analysis of industrial minerals properties and materials. Don has held product research and business development responsibilities with Fiberglas Canada Inc. and Domtar Construction Materials, and has been consulting in the field of industrial minerals markets and economics for more than 35 years. His experience encompasses most of the industrial minerals and several specialty metals, especially antimony, lithium, tantalum, niobium, gallium, germanium and rare earths. Don is also the author of the Best Practice Guidelines for Reporting of Lithium Brine Resources and Reserves and a co-author of the Best Practice Guidelines for Reporting on Industrial Minerals Resources and Reserves. Don is also a member of the Association of Professional Geoscientists of Ontario (#0494), the Society for Mining, Metallurgy and Exploration (#4175075), the Canadian Institute of Mining, Metallurgy and Petroleum, the Prospectors and Developers Association of Canada, the Metallurgical Society of AIME and the American Ceramics Society.

**Dr. Yatendra Sharma – Lithium Processing Consultant**

Dr. Sharma has more than 47 years' experience at top management levels in various multinational companies in production, R&D and project managements of various mineral projects. He is also the inventor of 16 battery patents (including Li ion batteries and processing of Li from its ore and electrodes materials) and has several publications in international journals, and is a member of the Australasian Institute of Mining and Metallurgy, and a competent person as defined by the 2004 JORC Code. Dr Sharma. previously held a general management position with Mesa Minerals Limited (2002-2009), a project management position with Galaxy Resources Limited (2009-2012) where he was actively involved in successfully managing projects developing lithium carbonate from spodumene and brine, and lithium-ion batteries for electric vehicles etc. From 2012 to 2021 Dr. Sharma worked for Neometals Limited, LiRon LiB Power, Mn Energy, Tata Group India, Covalent Lithium Limited, and PEM (Li Clay), on various Li ion batteries and Li processing projects. He holds a master's degree in industrial chemistry/metallurgy and a PhD degree in chemical process and electrometallurgy. His PhD thesis was on rechargeable alkaline manganese dioxide batteries, Li ion batteries and battery materials.

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Disclosure Statement  
 Updated March 28, 2022

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2021-10-20	NA	NA	BUY	73%
2021-11-16	NA	NA	BUY (S)	23%
2022-01-13	NA	NA	HOLD	0%
2022-03-03	NA	NA	SELL / Tender	0%
			NA	3%
			Under Review	1%

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Bradda Head Lithium Ltd.	AIM:BHL	

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