



A just transition?

LITHIUM EXPLORATION IN MEXICO

Mexico already produces three minerals vital to renewable energy technology – copper, manganese and zinc. But massive, newly discovered lithium reserves may put Mexico on the map as one of the most important suppliers of transition minerals over [at least the next decade and a half](#). It is estimated that the Sonora deposit alone has as much as [243.8 million tonnes](#) (Mt) of lithium, nearly half of that of the world’s five largest mines combined.

Lithium is a critical component in the production of the lithium-ion batteries needed to produce electric vehicles, but its exploration and development comes with significant human rights risks, as outlined in our case studies on [electric vehicles](#) and [water](#). Abuses are already evident in Mexico’s transition minerals sector. Regional research by our Transition Minerals Tracker recorded 11 companies producing zinc, manganese and copper in Mexico and Central America. It recorded 40 allegations, the largest number of which took place in Mexico, accounting for two-thirds (66%) of human rights allegations reported in the region.

Bacanora Lithium exploration in Sonora, Mexico

In 2018, Bacanora Lithium announced it had discovered what could be the largest lithium reserve in the world, in Bacadéhuachi, Sonora, Mexico. Since then, the Government of Mexico has granted licenses to more than 30 companies from four countries; three of which have begun [exploration](#): [Bacanora Lithium](#), [Organimax](#) and [One World Lithium](#).

Lithium mining is [water intensive](#)¹ and in Sonora, water use and access is of critical concern. According to the [World Resources Institute](#), Sonora already faces elevated desertification and has been classified as an area with “extremely high baseline water stress.” This is coupled with water pollution already faced by the local population, following a [toxic discharge](#) from [Grupo Mexico](#)’s Buena Vista Copper mine in 2014, which flowed into the Bacanuchi and Sonora rivers impacting more than 22,000 residents.

KEY STATS



Sonora deposit

243.8 Mt
(million tonnes) of lithium



Reserves equal to those of **nearly half** of the world’s five largest lithium mines combined



26/40 allegations in the region were recorded in Mexico

The Sonora Project, spans approximately 100,000 hectares² in an area that was previously used for cattle grazing, and is anticipated to produce 17,500 tonnes of lithium a year for the first four years, then increase to 35,000 tonnes annually.³ The project will be undertaken by [Bacanora Lithium](#), a British and Canadian company, and its subsidiaries [Mexilit](#) and [Megalit](#) (both jointly owned with [Cadence Minerals](#) (UK)), and [Minera Sonora Borax SA de CV](#) ("MSB").

Mexican civil society organizations and Indigenous Peoples have raised concerns over the potential to replicate social and environmental impacts of lithium mining experienced in other Latin American countries. In March 2020, La Red Mexicana de Afectadas/os por la Minería (REMA), a network of communities, organizations and individuals affected by and raising awareness about the socio-environmental impacts of mining in Mexico, officially opposed [Bacanora's](#) lithium project in Sonora. They raised concerns this project would have the same negative impacts to water resources, the environment and communities as has been seen in projects in [Chile](#), [Argentina](#) and [Bolivia](#), asking the central question, "what kind of energy transition do we want as a country?" The group has questioned whether lithium mining will be fundamentally different than other forms of mining they have experienced, which have led to forced displacement and divisions within communities, dispossession of lands, and indiscriminate use of natural resources, including water. The Sonoran Yaqui tribe has also opposed the project, emphasizing the water pollution [caused by](#) companies' activities and the additional stress large scale projects would have on water resources in Sonora.

Company and financier responsibilities

The UN Guiding Principles on Business and Human Rights outlines company and investor responsibilities to protect human rights in their operations and investments, and to provide effective remedy in cases of abuse. Neither Bacanora nor a number of its key investors have clearly defined human rights policies, nor operational grievance mechanisms designed to provide access to remedy in cases where abuses occur or are alleged.

In addition, several of Bacanora Lithium's financiers have faced allegations of abuse related to other projects, including lithium projects. [Jiangxi Ganfeng Lithium](#) (China), an investor and offtaker of lithium sourced from this project, faced two allegations of abuse at their lithium operations in Argentina, related to violations of land rights and Indigenous rights and the lack of adherence to international standards of free, prior, and informed consent. The company did not answer the Resource Centre's request for a response.

The rapid expansion Mexico's lithium sector provides both opportunities and risks. Essential next steps include:

- ➔ **Stronger human rights policies** by companies and investors;
- ➔ **Efforts to adopt effective grievance mechanisms** to provide access to remedy; and
- ➔ **Stronger legal requirements on companies** to conduct human rights and environmental due diligence.

All critical to ensure this growing sector contributes to a truly just transition to a net zero-carbon economy in Mexico and worldwide.

1 See our newest case study on [water extraction and lithium mining](#) from our Transition Minerals Tracker launch.

2 Bacanora Lithium. "[Who we are](#)." Accessed via company website on 19 July 2020.

3 Cadence Minerals. 2020. "[Sonora Lithium Project](#)." Accessed via Cadence Minerals website.