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Bacanora Lithium plc ("Bacanora" or the "Company")
Additional exploration licence granted for Zinnwald lithium project

Bacanora Lithium plc (AIM: BCN), the London traded lithium company, is pleased to announce that its 50%-owned subsidiary, Deutsche Lithium GmbH, ('Deutsche Lithium'), has been granted an additional Exploration Licence ('the Altenberg Licence') covering approximately 42km² in the Erzgebirge (Ore Mountain) region of Saxony, Germany. The Altenberg Licence, which completely encloses Deutsche Lithium's existing Zinnwald Lithium Project ('Zinnwald'), has the potential to significantly increase the life of mine at Zinnwald.

The Altenberg Licence forms part of the same geological unit that hosts the historic Li-Sn-W deposits at Zinnwald and Falkenhain, where Deutsche Lithium has existing mining and exploration licences. The deposits on the Altenberg Licence have been explored and mined historically for tin, tungsten and lithium. Historical exploration data indicates additional exploration targets are present within the Altenberg Licence that could host lithium, tin and tungsten mineralisation.

Deutsche Lithium plans to investigate the deposits on the Altenberg Licence over the next five years and to combine its exploration and development with its Zinnwald and Falkenhain licences. The 5 year Exploration Licence was issued to Deutsche Lithium by Sächsisches Oberbergamt, the Saxony State Mining Authority.

The Directors believe this work has the potential to increase the resource base already delineated at Zinnwald, which currently comprises 142,240 tonnes of contained Li (NI43 101, Measured + Indicated + Inferred). A Feasibility Study ('FS') focused on developing a strategy to produce higher value downstream lithium products from the Zinnwald concentrates for the European battery and automotive sectors remains on track for completion in Q2 2019. In tandem with the FS, the Company is in discussions with financial advisors and potential strategic partners with regards to a potential spin-off and separate listing of Deutsche Lithium. This is being considered to assist in the funding of the construction of a high value lithium operation at Zinnwald.

Peter Secker, CEO, of Bacanora Lithium, commented: "Hosting deposits that have historically produced lithium and lying on the same geological play as other mines in the area, the Altenberg Licence is an excellent addition to our existing Zinnwald lithium project. Located in the heart of the European battery and automotive sectors, Zinnwald is strategically positioned to become a leading supplier of high

value lithium products to the rapidly emerging European electric vehicle sector. The decision to apply for further acreage that has the potential to extend the life of mine at Zinnwald was therefore an easy one.

"With the FS at Zinnwald on course to be completed in Q2, we will soon have a first independent valuation for Zinnwald which we are confident will far outstrip our current market capitalisation. Zinnwald however is one of two lithium projects in our portfolio. In addition to Zinnwald, we are focused on completing funding for our Sonora project in Mexico in Q2 2019 with a view to commissioning an initial 17,500tpa lithium carbonate operation and commencing production in H2 2021, as we look to unlock the US\$1.25 billion NPV assigned to Sonora."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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ABOUT BACANORA LITHIUM:

Bacanora owns ten mining concession areas covering approximately 100 thousand hectares in the northeast of Sonora State in Mexico. Seven of these ten mining concessions (the 'Sonora Lithium Project'¹) were included in the Feasibility Study announced 12 December 2017. The Company, through drilling and exploration work to date, has established a Measured plus Indicated Mineral Resource estimate of over 5 Mt (comprising 1.9Mt of Measured Resources and 3.1Mt of Indicated Resources) of LCE² and an additional Inferred Mineral Resource of 3.7 Mt of LCE. The Company's Feasibility Study has established Proven Mineral Reserves (in accordance with NI 43-101) of 1.67 Mt and Probable Mineral Reserves of 2.85 Mt LCE and confirmed the economics associated with becoming a 35,000 tpa lithium carbonate and 30,000 tpa SOP producer in Mexico. In addition to the Sonora Lithium Project, the Company also has a 50% interest in the Zinnwald Lithium Project and the Falkenhain Licence in southern Saxony, Germany. Each of the Zinnwald Lithium Project and the Falkenhain Licence are located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium at different times

over the past 300 years. The strategic location of the Zinnwald Lithium Project and the Falkenhain Licence provides close geographical proximity to the German automotive and downstream lithium chemical industries.

1. The Sonora Lithium Project is comprised of the following lithium properties: La Ventana lithium concession, which is 100 percent owned by Bacanora and El Sauz and Fleur concessions, which are held by Mexilit S.A. de C.V. ('Mexilit') which is owned 70 percent by Bacanora and 30 percent by Cadence Minerals Plc.
2. LCE = lithium carbonate (Li_2CO_3) equivalent; determined by multiplying Li value in percent by 5.323 to get an equivalent Li_2CO_3 value in per cent. Use of LCE is to provide data comparable with industry reports and assumes complete conversion of lithium in clays with no recovery or process losses.

Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to: the updated estimation of resources, followed by mine design and mine planning activities and the completion of a feasibility study for the Zinnwald Lithium Project in Q2 2019. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

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The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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