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Bacanora Lithium plc ("Bacanora" or the "Company")
Corporate Update

Bacanora Lithium plc (AIM: BCN), the London traded lithium company, announces that it remains in active discussions with the State General Reserve Fund of Oman ("SGRF"), the sovereign wealth fund of the Sultanate of Oman, to conclude the proposed US\$65M Strategic Investment Agreement and Offtake Agreement for Bacanora's flagship Sonora Lithium Project in Mexico ("Sonora"). This follows the expiry of the original strategic investment agreement with SGRF announced on 16 July 2018, which was conditional and has reached the end of its term.

In line with the above and previous announcements, the Company remains focused on completing the funding package in Q2 2019 with a view to commissioning a chemical processing plant and commencing first production at Sonora in H2 2021. A Feasibility Study, which was completed in December 2017, confirmed Sonora has the potential to be among the lowest cost producers of lithium carbonate. In addition to a US\$1.25 billion pre-tax NPV at 8% discount (based on an US\$11,000 per tonne lithium carbonate price) and an IRR of 26.1%, the Feasibility Study estimates Life of Mine costs at approximately US\$4,000 per tonne, placing Sonora in the lowest quartile of the industry cost curve.

The Company will update the market with any new material information as appropriate.

This announcement contains inside information as stipulated under the market abuse regulation (EU no. 596/2014) upon the publication of this announcement via regulatory information service this inside information is now considered to be in the public domain.

****ENDS****

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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 (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.323 to get an equivalent Li₂CO₃ 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.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: commodity price volatility; general economic conditions in Canada, the United States, Mexico and globally; industry conditions, governmental regulation, including environmental regulation; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

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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