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Bacanora Lithium PLC
24 August 2021

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

Update on Orr-Ewing Royalty Dispute

Bacanora Lithium plc (AIM: BCN), a lithium development company, provides an update on the litigation with the Estate of Colin Orr-Ewing (the "Estate") in regard to its challenge to the validity of the lithium royalty over the Sonora Lithium Project ("Sonora"). As previously reported, in the Company's recent Annual Financial Statement to 31st December 2020, the Alberta Court held a hearing on 9 March 2021 to hear the Estate's application for Summary Trial on the grounds that the Company's action was time limitation barred. The Court has now issued its judgement that found in favour of the Estate. The Company intends to appeal this judgement on a point of law and will provide further updates as required. The Company maintains that the Royalty is invalid on the grounds of misrepresentation and a lack of consideration and intends to exhaust all legal avenues on behalf of all its shareholders to ensure that the Alberta Courts adjudicate fully on the merits of the case, rather than restricting their review to a technical time limitation defence. The Company has at all times taken a conservative approach to the treatment of the purported royalty and included it fully in the financial model for the Sonora Feasibility Study published in 2018, as well as all financial projections to investors and debt funding partners.

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Notes to editors

Bacanora Lithium Plc is an AIM-listed (ticker 'BCN') lithium development company. The Company is focused on building, in collaboration with its major shareholder and offtake partner, Ganfeng Lithium (the world's largest lithium metals producer), a 35,000 tonne per annum open pit lithium carbonate operation at its flagship asset, the Sonora Lithium Project in Mexico. The Sonora Lithium Project has 8.8 million tonnes of lithium carbonate (Li₂CO₃) equivalent resources, with an approximate 250-year resource life, as detailed in its December 2017 Feasibility Study.

Sonora Lithium Ltd ("SLL") is the operational holding company for the Sonora Lithium Project and owns 100% of the La Ventana concession. The La Ventana concession accounts for 88% of the mined ore feed in the Sonora Feasibility Study which covers the initial 19 years of the project mine life. SLL is owned 50% by Bacanora and 50% by Ganfeng Lithium Co., Ltd. SLL also owns 70% of the El Sauz and Fleur concessions.

Bacanora also owns 35.5% of Zinnwald Lithium Plc (AIM: ZNWD), which in turn owns the Zinnwald Lithium Project and the Falkenhain, Altenberg and Sadisdorf Licences in southern Saxony, Germany.

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. 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 the UK, the United States, Mexico, Germany 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.

Important notice

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