

Bacanora Lithium plc / Index: AIM / Epic: BCN / Sector: Natural Resources

**Bacanora Lithium plc ("Bacanora" or the "Company")
NI-43-101 lithium resource estimate at Zinnwald Project, Germany**

Bacanora Lithium plc (AIM: BCN), the London listed lithium company, is pleased to announce NI 43-101 compliant Measured + Indicated resources of 124,974 tonnes of contained lithium ('Li') at its 50% owned Zinnwald lithium project ('Zinnwald' or 'the Project') in southern Saxony, Germany, representing a 30% increase from the previous PERC resource estimate of 96,200 tonnes. The total resource estimate for the Project (Measure + Indicated + Inferred) is 142,240 tonnes of contained Li. The mineral resource estimate forms part of the Feasibility Study ('FS') for a high value lithium product operation at Zinnwald that will supply the fast-growing European battery and automotive sectors. The FS remains on course to be completed in Q2 2019.

Peter Secker, CEO of Bacanora, commented, "The NI 43-101 compliant resource upgrade to 142,240 tonnes confirms Zinnwald's status as one of the most advanced lithium projects in Europe. With a strategic location in the heart of the important German battery and automotive sectors, Zinnwald is ideally situated to become a major supplier of high-value lithium products to Europe's rapidly emerging electric vehicle and energy storage industries. We are keen to realise Zinnwald's potential and, with this in mind, we are looking forward to the completion of the FS in Q2 2019.

"Meanwhile work continues at our lithium project in Sonora, Mexico where a FS confirmed the highly attractive economics and industry-leading low-cost profile of a Stage 1 17,500tpa battery grade lithium carbonate operation. Here, we are in advanced discussions with several potential partners both at the corporate and project level to secure, on attractive terms, the remaining funds that are required to commence the 18-month construction phase. With Zinnwald targeting key European markets and Sonora, the large and important Asian market, Bacanora is on track to become the international lithium production company we set out to build."

Further Information

Zinnwald is located in southeast Germany, some 35 km from Dresden and adjacent to the border of the Czech Republic and within 5 km of the town of Altenberg and 50 km of the town of Freiberg. The Project is 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 Project allows immediate access to the German automotive and downstream lithium chemical industries.

This new NI 43-101 mineral resource estimate upgrades the PERC compliant report produced in 2014, and is based on 76 surface holes plus 12 underground holes comprising 6,465m of core; including 10 surface drill holes completed in 2012 - 2014 (nine diamond drill holes and one reverse circulation drill hole) covering a total length of 2,484m, and infill and verification drilling consisting of 15 surface diamond drill holes with a total length of 4,458.9m completed in 2017.

The upgraded resource is part of an ongoing FS at Zinnwald. To date, concentrator and roasting testwork and resource definition workstreams have been completed. The remaining FS workstreams, including mine design, hydrometallurgical testwork and engineering design, are all underway and proceeding on schedule. As a result, the FS is on course to be completed in Q2 2019.

The upgraded resource has been reported in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and was carried out by G.E.O.S. Ingenieurgesellschaft mbH (G.E.O.S.), Reporting Persons: Kersten Kühn, Matthias Helbig from G.E.O.S and Dr. Thomas Dittrich from Deutsche Lithium GmbH. Dr. Wolf-Dietrich Bock, an independent Qualified Person as defined by NI 43-101, has reviewed and approved the technical information contained in this press release and is independent of the Company.

The table below provides a breakdown of the upgraded mineral resource estimate for the Zinnwald Project:

Resource classification*	Ore tonnage (000t)	Mean Li grade (ppm)	Contained Li (tonnes)
Measured	18,510	3,630	67,191
Indicated	17,000	3,399	57,783

Inferred	4,865	3,549	17,266
Demonstrated (Measured + Indicated)	35,510	3,519	124,974
Total (Measured + Indicated + Inferred)	40,375	3,523	142,240

(* Vertical thickness \geq 2 m, cut-off Li = 2,500 ppm)

The new NI 43-101 resource replaces an initial resource compiled in 2014. This initial resource, which was based on the Pan European Resource Standard ("PERC"), included 26.6 million tonnes of ore at a grade of 3,620 ppm (demonstrated) containing 96,200 tonnes of Li at cut off 2,500 ppm. Using a minimum thickness of 2m and 2,500 ppm Li cut-off, the Zinnwald demonstrated mineral resource (Measured + Indicated) has significantly increased to 35.5 million tonnes at a grade of 3,519 ppm Li containing 124,974 tonnes of Li, an increase of 30% over the 2014 resource. The equivalent total mineral resource (Measured + Indicated + Inferred) at a 2m minimum thickness and 2,500 ppm cut off grade increased by 7% from 132,740 tonnes of contained Li to 142,240 tonnes.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 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 (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li₂CO₃ value in percent. 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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