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THIS IS AN ANNOUNCEMENT OF A POSSIBLE OFFER UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"). THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, EVEN IF THE PRE-CONDITIONS IN THIS ANNOUNCEMENT ARE SATISFIED.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN FOR THE PURPOSES OF MAR.

6 May 2021

POSSIBLE OFFER FOR BACANORA LITHIUM PLC AND AGREEMENT WITH GANFENG INTERNATIONAL TRADING (SHANGHAI) LIMITED

The Bacanora Independent Directors and Ganfeng International Trading (Shanghai) Limited ("**Ganfeng**") are pleased to announce that Bacanora Lithium PLC ("**Bacanora**") and Ganfeng have entered into an agreement dated 6 May 2021 (the "**Offer Agreement**") regarding the terms of a possible cash offer by Ganfeng for the entire issued and to be issued share capital of Bacanora, other than that which it already owns, at a price of 67.5 pence per Bacanora Share (the "**Offer Price**") (the "**Possible Offer**").

This is an announcement under Rule 2.4 of the Code. It does not represent a firm intention to make an offer under Rule 2.7 of the Code. Accordingly, while Ganfeng has agreed with Bacanora in the Offer Agreement that it will announce a firm intention to make an offer under Rule 2.7 of the Code subject to the Pre-Conditions (as defined in section 3 below) being satisfied or, if applicable, waived as soon as practicable and in any event before 31 December 2021 (or such later date as Ganfeng and Bacanora may agree) (the "**Pre-Condition Long Stop Date**"), for the purposes of the Code, there can be no certainty that any offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived.

In accordance with Rule 2.6(a) of the Code, by not later than 5.00 p.m. on 3 June 2021, Ganfeng must either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel on Takeovers and Mergers in accordance with Rule 2.6(c) of the Code.

This Announcement has been made with the approval of Ganfeng and a further announcement will be made in due course.

1. The Possible Offer

It is intended that the Possible Offer, if made, would be structured as a recommended offer to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2016 (the "**Scheme**"), whereby Ganfeng would acquire the entire issued and to be issued ordinary share capital of Bacanora, other than that which it already owns, at the Offer Price. This would represent a premium of approximately:

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>
> 43-3 odq bdms- sn sgd nk l d dlf gsdc dq f d oqhbd ne ooqn hl sdk 32-6 odmbd odq A b mnq Rg qd enq sgd sgqdd,l nmsg odqhmc dmc hmf nm 4 L 1/1 0+ a dhmf sgd k rs oq bshb a kd c sd a denqd sghr @mnn mbdl dms.

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared, made or paid or becomes payable in respect of the Bacanora Shares, Ganfeng reserves the right to reduce the Offer Price by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared, made, paid or payable.

As a consequence of this Announcement, an Offer Period has now commenced in respect of Bacanora in accordance with the rules of the Code. The attention of Bacanora's shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

2. Background

The Bacanora Independent Directors and the Ganfeng Board have held detailed discussions regarding the terms of the Possible Offer and the prospects of Ganfeng increasing its 50% interest in Sonora Lithium Limited, the operational holding company for the Sonora Lithium Project, to 100% through the acquisition of the Bacanora Shares that Ganfeng does not already own.

In connection with the Possible Offer, Ganfeng and Bacanora have agreed an initial form of a firm intention to make an offer announcement pursuant to Rule 2.7 of the Code, which sets out the principal terms and conditions to which the Offer, if made, would be subject, as set out in this Announcement, and the final form of which the parties have agreed to use all reasonable endeavours to conclude as soon as practicable (the "**Agreed Form 2.7 Announcement**").

The Bacanora Independent Directors view the Possible Offer to be an attractive proposal which they would expect to recommend to Bacanora Shareholders in the event that Ganfeng releases the Agreed Form 2.7 Announcement at the Offer Price and otherwise on the terms and subject to the conditions to be agreed in the Agreed Form 2.7 Announcement.

Further to Bacanora's announcement of 5 February 2021, Bacanora and Ganfeng are also pleased to announce that the exercise of Ganfeng's pre-emptive right to increase its holding in Bacanora following Bacanora's placing and retail offer of 3 February 2021 has now received the relevant approvals and consents from authorities in the People's Republic of China. Ganfeng's subscription for a total of 53,333,333 new Bacanora Shares at the placing price of 45p per share, representing gross proceeds of approximately US$31 million, is therefore expected to complete shortly. On completion, Bacanora will have 384,144,901 shares in issue and Ganfeng will own 28.88% of all Bacanora Shares.

The release of the Agreed Form 2.7 Announcement by Ganfeng is subject to and conditional upon the following pre-conditions (the "**Pre-Conditions**") being satisfied (or, where relevant, waived) before the Pre-Condition Long Stop Date:

the issuance of:

(i) a notice of record-filing from either (a) the Odnokd r Cdl nbq shb do akhb ne Bghm r Oqn hmbh kCd dknol dms mc denql Bnl l hrrhmmor (b) the Odnokd r Cdl nbq shb do akhb ne Bghm r M shmm k Cd dknol dms mc denql Commission (as the case may be), in each case to Ganfeng in respect of the Offer;

(ii) qhssdm ooqn keqnl sgd Odnokd r Cdl nbq shb do akhb ne Bghm r L hmhrsq of Commerce to Ganfeng in respect of the Offer; and

(iii) qhssdm ooqn keqnl sgd Odnokd r Cdl nbq shb do akhb ne Bghm r Rs sd Administration of Foreign Exchange to Ganfeng in respect of the Offer;

((i) to (iii) together, the "**Outbound Direct Investment Pre-Condition**");

the completion of due diligence by Ganfeng, and the Ganfeng Board being satisfied at its sole discretion with the outputs of the due diligence processes (the);

the receipt by Ganfeng of confirmation of the Bacanora Hmc do dmc dms Chqdbsnqr 9

(i) intention to provide their unanimous, unqualified and unconditional recommendation to Bacanora Shareholders to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (having been advised by Bacanora r elnancial advisers that the financial terms of the Offer are fair and reasonable): (a) on the basis the Offer is at not less than the Offer Price (subject to adjustment, if appropriate, as provided above, in respect of any dividend, distribution and/or return of capital); and (b) subject to the terms and conditions contained in the Agreed Form 2.7 Announcement; and

(ii) agreement that an announcement of the Offer on the terms and subject to the conditions contained in the Agreed Form 2.7 Announcement containing such recommendation may be released;

(together, the "**Bacanora Recommendation Pre-Condition**"), and

the receipt by Bacanora of confirmation of:

(i) the Ganfeng Holdco board's intention to provide its unanimous, unqualified and unconditional recommendation to Ganfeng Holdco Shareholders to vote in favour of an offer by Ganfeng to acquire the entire issued and to be issued share capital of Bacanora, other than that which it already owns, which is: (a) at not less than the Offer Price (subject to adjustment, if appropriate, as provided above, in respect of any dividend, distribution and/or return of capital); and (b) subject to the terms and conditions contained in the Agreed Form 2.7 Announcement; and

(ii) the Ganfeng Board's agreement that an announcement of the Offer on the terms and subject to the conditions contained in the Agreed Form 2.7 Announcement containing such recommendation may be released;

(together, the "**Ganfeng Recommendation Pre-Condition**").

The Outbound Direct Investment Pre-Condition is not capable of being waived by Ganfeng. Ganfeng, as a Chinese company, is subject to regulations issued by regulatory authorities and f n dqml dms ka nc hdr ne sgd Odno kd r do a khb ne Bghm qdk shmf sn n sa n mc chqdbs hm drsl dms- As a consequence of these regulations and the requirements of the Code, Ganfeng may release the Agreed Form 2.7 Announcement only once the Outbound Direct Investment Pre-Condition has been satisfied.

Neither the Bacanora Recommendation Pre-Condition (ii) nor the Ganfeng Recommendation Pre-Condition (ii) is capable of being waived. However, the Bacanora Recommendation Pre-Condition (i) may be waived by Ganfeng at its sole discretion, and the Ganfeng Recommendation Pre-Condition (i) may be waived by Bacanora at its sole discretion.

The Due Diligence Condition may be waived by Ganfeng at its sole discretion.

If any of the Pre-Conditions are not satisfied or, if applicable, waived before the Pre-Condition Long Stop Date, Ganfeng will have no obligation to release the Agreed Form 2.7 Announcement. However, there can be no certainty that the Offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived. Further information in this respect is provided at section 5 below.

The Bacanora Independent Directors are not obliged to recommend an offer by Ganfeng at the Offer Price. It is therefore possible that the Bacanora Independent Directors could decide against making such a recommendation, notwithstanding that the Due Diligence Condition, the Outbound Direct Investment Pre-Condition and the Ganfeng Recommendation Pre-Condition had been satisfied, in which case Ganfeng would not be required to release the Agreed Form 2.7 Announcement.

4. Expected timetable

It is expected to take up to eight months for the Outbound Direct Investment Pre-Condition to be satisfied, such that in the event that each Pre-Condition has been satisfied (or alternatively waived if capable of waiver), the Agreed Form 2.7 Announcement should be made prior to 31 December 2021.

5. Obligations and undertakings of Ganfeng

Bacanora and Ganfeng have entered into the Offer Agreement in respect of the Possible Offer, the principal terms of which are described below.

The Offer Agreement sets out the process for the satisfaction of the Pre-Conditions before the Pre-Condition Long Stop Date. In particular, Ganfeng has agreed to use all reasonable endeavours to procure the satisfaction of the Due Diligence Condition, the Outbound Direct Investment Pre-Condition and the Ganfeng Recommendation Pre-Condition as soon as practicable and in any event prior to the Pre-Condition Long Stop Date.

If each of the Pre-Conditions is satisfied (or waived by Ganfeng if applicable) before the Pre-Condition Long Stop Date, Ganfeng has agreed to announce a firm intention to make an offer for Bacanora in the final form of the Agreed Form 2.7 Announcement at a price that is not less than the Offer Price (subject to adjustment, if appropriate, as provided above, in respect of any

dividend, distribution and/or return of capital) (the "**Offer**") within 3 Business Days of satisfaction (or waiver, as the case may be) of the final Pre-Condition.

In particular, Bacanora Shareholders should note that the Offer, if made, would be conditional upon, among other things, the Scheme becoming unconditional and Effective (including its approval by a majority of Scheme Shareholders present and voting (in person or by proxy) representing 75 per cent. or more in the value of the Scheme Shares held by such Scheme Shareholders).

The condition above would not be capable of being waived by Ganfeng.

The Offer would be made on the terms and subject to the conditions set out in the Agreed Form 2.7 Announcement and to be set out in the Scheme Document.

If the Pre-Conditions are satisfied before the Pre-Condition Long Stop Date and Ganfeng fails to comply with its obligation to release the Agreed Form 2.7 Announcement, Ganfeng would not, under the Code, be required to make an offer.

The Offer Agreement will terminate upon:

the release of the Agreed Form 2.7 Announcement by Ganfeng;

any of the Pre-Conditions not being satisfied by the Pre-Condition Long Stop Date (or, if applicable, waived); or

the failure by Ganfeng to release the Agreed Form 2.7 Announcement within 3 Business Days of satisfaction (or waiver, as the case may be) of the final outstanding Pre-Condition in accordance with the Offer Agreement.

In addition, Ganfeng may terminate the Offer Agreement (without liability) if, amongst other events:

it has received written advice from a reputable law firm that any of the conditions to the Offer contained in the Agreed Form 2.7 Announcement would, if the Agreed Form 2.7 Announcement had been released, be capable of being invoked or would be incapable of being satisfied, or other facts, matters or circumstances exist, such that Ganfeng would be entitled to lapse, withdraw, terminate or not proceed with the Offer;

before the Pre-Condition Long Stop Date, a Competing Transaction is announced that is recommended or proposed by the Bacanora Independent Directors;

the Outbound Direct Investment Pre-Condition is not satisfied, in whole or in part, due to a failure by Bacanora to provide any reasonably necessary documentation, information or assistance promptly and within two Business Days following a written request by Ganfeng where it was within Bacanora r on dq sn oqn hcd r bg cnb l dms shmm+hmenql shmm nq assistance, and it was required by any governmental authority for the purposes of the Outbound Direct Investment Pre-Condition; or

at any time before the release of the Agreed Form 2.7 Announcement, the Bacanora Independent Directors notify Ganfeng that they do not intend to provide a unanimous, unqualified and unconditional recommendation of the Offer.

6. Nature of the Offer Agreement

While Bacanora and Ganfeng have entered into an agreement regarding Ganfeng obligations in relation to the Possible Offer, this contractual arrangement between the parties does not represent a firm intention on the part of Ganfeng to make an offer for the purposes of Rule 2.7 of the Code and, for the purposes of the Code, there can be no certainty that any offer will ultimately be made, even if the Pre-Conditions are satisfied or, if applicable, waived.

The entering into the Offer Agreement between Bacanora and Ganfeng is deemed to be a related party transaction pursuant to AIM Rule 13, as Ganfeng currently has a 17.41% interest in Bacanora's issued share capital. The Bacanora Independent Directors, having consulted with Bacanora's nominated adviser, Cairn Financial Advisers LLP, consider that the terms of the Offer Agreement are fair and reasonable insofar as Bacanora Shareholders are concerned.

7. Information on Ganfeng and Ganfeng Holdco

Ganfeng is bnl o m hmbnqpnq sdc hmRg mfg hhmsgd Odnokd r do akkb ne Bghm mc gnkk owned subsidiary of Ganfeng Holdco.

Ganfeng Holdco is the world's third largest, and China's largest, lithium compounds producer and the world's largest lithium metals producer in terms of production capacity. Ganfeng Holdco's operations are vertically integrated, encompassing all critical stages of the value chain, including upstream lithium extraction, midstream lithium compounds and metals processing as well as downstream lithium battery production and recycling. Ganfeng Holdco has one of the most comprehensive product offerings split into five major categories of more than 40 lithium compounds and metals products.

8. General

Appendix 1 contains the definitions of certain terms used in this Announcement. Appendix 2 contains bases and sources of certain information contained in this Announcement.

A copy of this Announcement will be available on Bacanora r da rhsd s https://www.bacanoralithium.com/investor-relations/ and on Ganfeng's website at http://www.ganfenglithium.com/index_en.html.

Enquiries

Ganfeng	
Roy Zhang Tong	+86 02150809566 8004
Samuel Pigott	+1 416 357 4681
Bacanora	info@bacanoralithium.com
Peter Secker, CEO	
Janet Blas, CFO	
Peel Hunt LLP (Financial Adviser to Bacanora)	+44 (0)20 7418 8900
Ross Allister	
Michael Nicholson	
Cairn Financial Advisers LLP (Nomad to Bacanora)	+44 (0)20 7213 0880

Sandy Jamieson	
Liam Murray	
Tavistock (Financial PR Adviser)	Bacanora@tavistock.co.uk
Jos Simson	+44 (0) 20 7920 3150
Emily Moss	+44 (0) 77 8855 4035
Oliver Lamb	

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Bacanora and for no-one else in connection with the matters referred to in this Announcement and will not be responsible to any person other than Bacanora for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this Announcement, or otherwise.

Teacher Stern LLP is retained as legal adviser to Ganfeng.

Gowling WLG (UK) LLP is retained as legal adviser to Bacanora.

IMPORTANT NOTES

This is an Announcement under Rule 2.4 of the Code. It is not an announcement of a firm intention to make an offer under Rule 2.7 of the Code.

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to sell or purchase any securities, or the solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Possible Offer or otherwise nor shall there be any sale, issuance or transfer of securities of Bacanora in any jurisdiction in contravention of applicable law. The Offer, if made, will be effected solely through the Scheme Document (or, if the Offer, if made, is implemented by way of a Contractual Offer, the offer document) which will contain the full terms and conditions of the Offer, if made. Any vote, decision in respect of, or other response to, the Scheme (or the Contractual Offer, if applicable) should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the offer document). Each Bacanora Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer, if made, applicable to them.

Overseas jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Bacanora Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, if the Court Meeting takes place, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the

companies and persons involved in the Possible Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer, if made, to persons who are not resident in the United Kingdom may be restricted by the laws and/or regulations of the relevant jurisdictions in which they are located. The Offer, if made, will not be made available, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. Any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Scheme Document (if the Offer is made).

This Announcement has been prepared pursuant to and for the purpose of complying with the laws of England and Wales, the AIM Rules, the Code and the Rules of the London Stock Exchange and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Copies of this Announcement and any formal documentation relating to the Offer, if made, will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer, if made. If the Offer, if made, is implemented by way of a Contractual Offer (unless otherwise permitted by applicable law or regulation), the Contractual Offer may not be made, directly or indirectly, in or into or from any Restricted Jurisdiction.

The Offer, if made, will relate to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies.

However, if Ganfeng were to elect to implement the Offer, if made, by means of a Contractual Offer, such Contractual Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such Contractual Offer would be made in the US by Ganfeng and no one else.

In accordance with normal UK practice, Ganfeng or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Bacanora Shares, other than pursuant to the Offer, if made, until the date on which the Scheme (or Contractual Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Please be aware that addresses, electronic addresses and certain other information provided by Bacanora Shareholders, persons with information rights and other relevant persons for the receipt of communications from Bacanora may be provided to Ganfeng during the Offer Period (as required under Section 4 of Appendix 4 of the Code) to comply with Rule 2.11 of the Code.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Possible Offer will, subject to certain restrictions, be available for inspection on Ganfeng's website at http://www.ganfenglithium.com/index_en.html and by Bacanora on its website at https://www.bacanoralithium.com/investor-relations/ no later than 12 noon (London time) on the day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Possible Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from either Ganfeng by contacting either Roy Zhang Tong or Sam Pigott (contact details for each are set out in the above Enquiries section), or Bacanora's registrar, Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by calling Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Bacanora Shares

As at close of business on 5 May 2021 (being the last Business Day prior to this Announcement), there were 330,811,568 Bacanora Shares in issue and admitted to trading on AIM. The ISIN for the Bacanora Shares is GB00BD20C246.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in the Announcement), oral statements made regarding the Possible Offer, and other information published by Bacanora and Ganfeng contain certain forward-looking statements, beliefs or opinions with respect to the financial condition, results of operations and business of Bacanora and Ganfeng. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements may often, but not always, be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "hopes," "anticipates," "aims," "plans," "estimates," "projects," "targets," "intends," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "continue," "optimistic," "deliver," "comfortable," "trend," "seeks" or variations of such words and phrases or statements that certain actions, events or results "could," "should," "would" or "might" be taken, occur or be achieved or the negative of such terms or other variations on such terms or comparable terminology.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Bacanora and/or Ganfeng, as the case may be, in light of their experience and their perception of historical trends, current conditions, future developments and other factors that they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Although it is believed that the expectations reflected in such forward-looking statements were reasonable at the time the statements were made, no assurance is given by Bacanora and/or Ganfeng that such expectations or the assumptions and assessments underlying them will prove to have been correct and the circumstances may change. You are therefore cautioned not to place undue reliance on these forward-looking statements. Neither Bacanora nor Ganfeng assumes any obligation, and Bacanora and Ganfeng disclaim any intention or obligation, to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

The forward-looking statements have not been reviewed by the auditors of Bacanora or Ganfeng or their respective financial advisers. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements is the satisfaction of any conditions to the Possible Offer, as well as additional factors such as changes in global, political, economic, business, competitive, market and regulatory forces (including as a result of governmental, business or individual responses to the COVID-19 pandemic), future exchange and interest rates, changes in tax rates and future business combinations or dispositions. Such forward looking statements should therefore be construed in the light of such factors. Neither Bacanora nor Ganfeng, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

No profit forecast

No statement in this Announcement is intended as a profit forecast or a profit estimate and no statement in this Announcement should be interpreted to mean that earnings per share for Ganfeng or Bacanora for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Ganfeng or Bacanora.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the

commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures are required to be disclosed can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any needdqnq r ehqrs hc dnsrhehdc - Xn rgn kc bnms bs sgd O mdk r L qj ds R q dlkk mbd T mhs nm 33 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Appendix 1

Definitions

In this Announcement, the following words and expressions have the following meanings unless the context requires otherwise:

"**AIM**"	the market of that name operated by the London Stock Exchange
"**Announcement**"	this announcement made in accordance with Rule 2.4 of the Code
"**Articles**"	the articles of association of Bacanora from time to time
"**Bacanora Group**"	Bacanora and its subsidiaries and subsidiary undertakings (as defined in the Companies Act)
"**Bacanora Independent Directors**"	all the directors of Bacanora other than Xiaoshen Wang
"**Bacanora Share(s)**"	the existing unconditionally allotted or issued and fully paid ordinary shares of one pence each in the capital of Bacanora and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective
"**Bacanora Shareholders**"	the holders of Bacanora Shares
"**Business Day**"	a day, other than a Saturday, Sunday or public holiday in the UK and the People's Republic of China (including Hong Kong), on which banks are open for non-automated business in the City of London and the People's Republic of China (including Hong Kong);
"**Closing Price**"	unless otherwise stated, the closing middle market quotation derived from the AIM Appendix to the Daily Official List
"**Code**"	the City Code on Takeovers and Mergers
"**Companies Act**"	the Companies Act 2006, as amended
"**Competing Transaction**"	(a) any offer (including a partial offer), possible offer, tender offer, merger, acquisition, scheme of arrangement, dual listed company structure, reverse takeover, business combination or proposal from, or on behalf of, any Third Party, whether or not subject to any pre-conditions and howsoever to be implemented, with a view to such Third Party, directly or indirectly acquiring, when aggregated with the shares already held by such Third Party and any person acting in concert with such Third Party, thirty (30) per cent. or more of the issued share capital of Bacanora; (b) the acquisition or disposal, directly or indirectly, by or on behalf of, any Third Party or Third Parties of all or a significant proportion (being thirty (30) per cent. or

more) of the business, assets and/or undertakings of the Bacanora Group calculated by reference to any of its revenue, profits or value taken as a whole;

(c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being thirty (30) per cent. or more) of the Bacanora Group calculated by reference to any of its revenue, profits or value taken as a whole; or

(d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede, delay or prejudice implementation of the Offer (including, for the avoidance of doubt, any transaction or arrangement which would require the approval of shareholders pursuant to Rule 21.1 of the Code or the AIM Rules for Companies),

in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise and which is not effected by or on behalf of Ganfeng, or any other person acting at the direction of Ganfeng, or any person who has an agreement or understanding (whether informal or formal) with Ganfeng to co-operate, obtain or consolidate control of Bacanora

"**Contractual Offer**"	a takeover offer within the meaning of Part 28 of the Companies Act
"**Court**"	the High Court of Justice in England and Wales
"**Court Meeting**"	if the Offer is made, the meeting of Bacanora Shareholders to be convened by order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof
"**Daily Official List**"	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
"**Dealing Disclosure**"	has the same meaning as in Rule 8 of the Code
"**Effective**"	in the context of the Offer, if made: (i) if the Offer is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Scheme Court Nqcdq sn sgd dfhrsq q ne Bnl o mhdr: nq 'hf(he sgd Needq hr implemented by way of a Contractual Offer, the Contractual Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code
"**Effective Date**"	if the Offer is made, the date on which the Offer becomes Effective in accordance with its terms
"**Excluded Shares**"	(i) any Bacanora Shares beneficially owned by Ganfeng or any parent or subsidiary undertaking (as defined in the Companies

	Act) of Ganfeng and (ii) any Bacanora Shares held in treasury by Bacanora
"**General Meeting**"	if the Offer is made, the meeting of Bacanora Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof
"**Ganfeng Board**"	the board of directors of Ganfeng
"**Ganfeng Holdco**"	means Ganfeng Lithium Co., Ltd a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
"**Ganfeng Holdco Shareholders**"	means the holders of Ganfeng Holdco shares;
"**London Stock Exchange**"	London Stock Exchange plc
"**Offer**"	has the meaning given to it in section 5 of this Announcement
"**Offer Period**"	the offer period (as defined by the Code) relating to Bacanora, which commenced on the date of this Announcement and ending on the earlier of (i) the date on which the Scheme becomes Effective, lapses or is withdrawn (or such other date as the Panel may decide) and (ii) the date on which Ganfeng announces it does not intend to make an offer for Bacanora under Rule 2.8 of the Code
"**Opening Position Disclosure**"	has the same meaning as in Rule 8 of the Code
"**Overseas Shareholders**"	Bacanora Shareholders (or nominees, or custodians or trustees of Bacanora Shareholders) who are resident in, or nationals or citizens of jurisdictions outside the UK or who are citizens or residents of countries other than the UK
"**Panel**"	the Panel on Takeovers and Mergers
"**Peel Hunt**"	Peel Hunt LLP, financial adviser to Bacanora
"**Registrar of Companies**"	registrar of companies in England and Wales
"**Regulatory Information Service**"	any of the services set out in Appendix III to the UK Listing Authority's Listing Rules
"**Resolutions**"	the resolution(s) to be proposed by Bacanora at the General Meeting in connection with, among other things the approval of the Scheme, the alteration of the Articles and such other matters as may be necessary to implement the Scheme and the cancellation of the admission to trading on AIM of the Bacanora Shares

"**Restricted Jurisdiction**"	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Ganfeng or Bacanora regards as unduly onerous
"**Scheme Court Hearing**"	if the Offer is made, the hearing of the Court to sanction the Scheme
"**Scheme Court Order**"	if the Offer is made, the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"**Scheme Document**"	the document to be sent to Bacanora Shareholders if the Offer is made, containing, among other things, the Scheme and the notices convening the Court Meeting and the General Meeting
"**Scheme Record Time**"	the date and time specified in the Scheme Document, expected to be, if the Offer is made, 6.00 p.m. London Time on the Business Day immediately before, or after, the Scheme Court Hearing
"**Scheme Shareholders**"	a holder of Scheme Shares as appearing in the register of Bacanora at the Scheme Record Time
"**Scheme Shares**"	the Bacanora Shares: (i) in issue at the date of the Scheme Cnb l dms: 'lH(hrr dc esdq sgd c sd ne sgd Rbgdl d Cnb l dms a s adenqd sgd Unshmf dbnqc SHl d: mc 'lHH('he m (hrr dc s nq esdq the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be, or shall have agreed in writing by such time to be, bound by the Scheme, in each case, excluding any Excluded Shares
	the Sonora lithium project located in Sonora, Mexico, being the geological exploration and business development of the La Ventana, La Ventana 1, El Sauz, El Sauz 1, El Sauz 2, Fleur and Fleur 1 concessions
"**Third Party**"	a third party which is not a person who is, or is presumed to be, acting in concert (as defined in the Code) with Ganfeng
	the United Kingdom of Great Britain and Northern Ireland
	the United States of America
"**Voting Record Time**"	if the Offer is made, the date and time to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined

Appendix 2

BASES AND SOURCES OF INFORMATION

1. A b mnq r bknrhmf oqhbd on 5 May 2021 of 45.0 pence is the closing middle market quotation derived from the AIM Appendix to the Daily Official List.

2. The volume weighted average price of approximately 43.7 pence per Bacanora Share for the three-month period ending on 5 May 2021 is sourced from Bloomberg.