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The Directors
Ganfeng International Trading (Shanghai) Limited
Building 26
Lane 4088 Luoshan Rd
Shanghai
China

25 August 2021

Dear Directors

1. Proposed offer for Bacanora Lithium plc

I understand that Ganfeng International Trading (Shanghai) Limited (the **Offeror**) proposes to make an offer for all the issued and to be issued ordinary shares of £0.10 each in Bacanora Lithium plc (the **Offeree**) (the **Shares**) other than those Shares already owned by the Offeror for the consideration, and otherwise substantially on the terms and subject to the conditions, set out in the draft press announcement attached to this letter (the **Announcement**), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the **Code**), the Panel on Takeovers and Mergers (the **Panel**) or any applicable law or regulation. The full terms of the Offer will be set out in a formal offer document (the **Offer Document**) addressed to the shareholders of the Offeree.

In this letter, the **Offer** means the proposed offer by the Offeror to acquire Shares as described above and includes any new, revised, improved or increased offer by the Offeror (or by one of its subsidiaries). Certain other terms used in this letter are defined in paragraph 10.7.

In consideration (subject to paragraph 8.2) of the Offeror agreeing to make the Offer, I undertake, confirm, represent, warrant and agree to and with the Offeror on the terms set out in this letter, which is entered into as a deed.

1. Representations and warranties

1.1 I represent and warrant to you that:

1.1.1 I am the beneficial owner of, or otherwise able to procure the transfer of and the exercise of all other rights attaching to, the number of Shares specified in the Schedule to this letter (the **Committed Shares**);

1.1.2 the Schedule sets out true, complete and accurate details of:

(a) the registration, ownership and control of the Committed Shares; and

(b) all Options (as defined in paragraph 10.7), warrants and other rights I may h
subscribe for, purchase or otherwise acquire any securities of the Offeree;

1.1.3 there are no Shares in which I am interested or taken to be interested, except f
Committed Shares;

ave to

for the

1.1.4 the Committed Shares are held free of all liens, charges, options, equities, encumbrances, rights of pre-emption and any other third party rights and interests of any nature;

1.1.5 I am not acting in concert (as defined in the Code) with any other person other than being presumed to be acting in concert with the Offeree and the other directors of the Offeree (but disregarding for this purpose any person I may be deemed to be acting in concert with because they are giving an irrevocable undertaking to the Offeror); and

1.1.6 I have full power and authority to enter into this letter, to accept or procure the acceptance of the Offer in respect of the Committed Shares and to perform my other obligations in this letter.

1.2 The warranties and representations in paragraph 1.1 shall not be affected or extinguished by the transfer of the Committed Shares under the Offer.

2. Acceptance of the Offer

2.1 I irrevocably undertake to the Offeror that:

2.1.1 I shall, no later than ten business days after the publication of the Offer Document, accept or procure the acceptance of the Offer in respect of all the Committed Shares, and shall cause the registered holder of any Committed Shares to accept the Offer, in accordance with the procedure set out in the Offer Document, and shall do or procure to be done all such things as may be required to give effect to such acceptance, whether by delivery of share certificates for the Committed Shares or otherwise;

2.1.2 I shall not in any circumstances withdraw any acceptance of the Offer in respect of the Committed Shares and shall not cause or permit the registered holder of any Committed Shares to do so;

2.1.3 I shall accept any proposal made by the Offeror to the holders of Options at the same price per Share as set out in the Offer, and in compliance with the requirements of the Code in respect of all such Options held by me, to the extent that the same have not lapsed or been exercised, no later than five business days after receipt of such proposal, or otherwise allow such Options to lapse;

2.1.4 the Committed Shares will be acquired by the Offeror free from all liens, charges, options, equities and other encumbrances and third party rights of any nature and together with all rights (including the right to all dividends and distributions) now or at any time attaching or accruing to them; and

2.1.5 I shall from time to time promptly complete, execute and deliver such documents and do all such other things as may be necessary to give full effect to each of my undertakings, agreements, warranties, representations, appointments and consents as set out in this letter.

2.2 In this letter, the term **Committed Shares** includes any further shares of the Offeree which (notwithstanding paragraph 4) I may become the registered holder or beneficial owner of, or in respect of which I may otherwise become entitled to exercise all rights and interests, after the date of this letter, whether or not deriving from or attributable to the Committed Shares specified in the Schedule. The undertakings in paragraph [illegible] to any such further Shares as an undertaking to accept or procure acceptance of the Offer in respect of those Shares on or before the later of (a) two business days after I [illegible] the Offer

become their registered holder or beneficial owner or otherwise become entitled to exercise all rights/interests in respect of them and (b) five business days after the publication of the Offer Document.

3. Voting

3.1 Unless and until this letter lapses in accordance with paragraph 8.1, I shall exercise or procure the exercise of the voting rights attached to the Committed Shares in respect of any Offer Resolution (as defined in paragraph 3.4 below) in accordance with the Offeror's written instructions.

3.2 I shall exercise or procure the exercise of the rights attached to the Committed Shares to requisition or join in the requisition of any general meeting of the Offeree as the Offeror may request for the purpose of considering an Offer Resolution.

3.3 For the purposes of voting on an Offer Resolution, I shall execute (and shall procure that the registered holder of any Committed Shares shall execute) any form of proxy required by the Offeror in relation to the Committed Shares appointing any person nominated by the Offeror to attend and vote at the relevant general meeting of the Offeree.

3.4 An **Offer Resolution** is any resolution (whether or not amended) proposed at a general meeting of the Offeree (or at an adjourned meeting) or otherwise put to shareholders of the Offeree the passing of which is necessary to implement the Offer (including the Resolutions (as defined in the Announcement) and any resolution as to the adoption of new articles of Association of the Offeree) or which, if passed, might result in any condition of the Offer not being fulfilled or which might impede or frustrate the Offer in any way, and includes any resolution to adjourn a meeting at which such a resolution is to be considered and any resolution to amend a resolution falling within this paragraph 3.4.

4. Dealings

4.1 Unless and until the Offer closes, lapses or is withdrawn, I shall not, and shall procure that the registered holder of any of the Committed Shares which are not registered in my name shall not:

4.1.1 sell the Committed Shares, or transfer, charge, pledge or otherwise encumber or grant any option or other right over, or otherwise dispose of or deal with or permit any such action to occur in respect of all or any of the Committed Shares or any interest in any of them except by my acceptance of the Offer or to the Offeror;

4.1.2 accept (or vote any Committed Shares in favour of), or give any undertaking or other commitment to accept (or to vote any Committed Shares in favour of), any offer, scheme of arrangement, merger or business combination made or proposed to be made in respect of all or any of the Committed Shares by any person other than the Offeror;

4.1.3 except with the prior written consent of the Offeror and only if the Panel determines and confirms to the Offeror that, in respect of such acquisition or dealing, I am not acting in concert with the Offeror pursuant to Note 9 on the definition of "acting in concert" in the Code, but save for any Shares acquired in connection with the vesting of awards or the exercise of Options, purchase or otherwise acquire any further interest in Shares or other securities of the Offeree, or any options or other derivative securities referenced to such Shares or securities; or

4.1.4 enter into any agreement or arrangement, incur any obligation or give any indication of intent, or permit any agreement or arrangement to be entered into, any obligation to arise or any indication of intent to be given (in any case whether conditionally or unconditionally and whether or not legally binding) to do any of the acts referred to in this paragraph 4 or which would or might restrict or impede the Offer becoming unconditional or my ability to comply with this undertaking.

4.2 Notwithstanding paragraph 4.1, prior to my acceptance of the Offer, I shall be permitted to transfer (in one or more transactions) some or all of my Committed Shares (**Family Shares**) to one or more persons connected to me within the meaning of sections 252 to 255 of the Act (including my spouse, children and certain family trusts and family companies) provided that on the date of transfer I procure that the transferee(s) sign and deliver to you irrevocable commitments in respect of such Family Shares substantially in the form of this letter (unless any such transferee has already signed and delivered to you an irrevocable commitment on terms which extend to his or her Family Shares).

5. Consents

5.1 I consent to:

5.1.1 a copy of this letter being disclosed to the Panel;

5.1.2 the inclusion of references to me and the registered holder of any Committed Shares and particulars of this letter and my holdings of relevant securities being included in the Announcement, the Offer Document and any other announcement made, or document issued, by or on behalf of the Offeror in connection with the Offer; and

5.1.3 this letter being made be available for inspection as required by Rule 26.1 of the Code (including it being published, in redacted form, on the websites of the Offeror and the Offeree).

5.2 I shall promptly give you all information and any assistance you may reasonably require relating to me or the Committed Shares for the preparation of the Offer Document and any other document issued, by or on behalf of the Offeror in connection with the Offer in order to comply with the requirements of the Code, the Panel, the Financial Conduct Authority (the **FCA**), London Stock Exchange plc, or any other relevant legal or regulatory requirement in relation to the Offer. I will notify you in writing of any change in the accuracy or import of any such information previously provided by me immediately upon my becoming aware of any such change.

5.3 I further acknowledge that I am obliged to make appropriate disclosures under Rule 2.10(c) of the Code promptly after becoming aware that I will not be able to comply with the terms of this deed or no longer intend to do so.

6. Secrecy

I understand that until such time as the Offer is announced, the information I have received from you in connection with the Offer must be kept confidential. I undertake not to disclose to any third party (save for the Offeree and, to the extent reasonably necessary in connection with the Offer, its directors, officers, employees and advisers):

6.1.1 the existence or subject matter of this letter or the possibility of the Offer and/or its proposed terms; or

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6.1.2 details of our discussions relating to the Offer (whether before or after the release of the Announcement),

except in each case to the extent that such matters have been made public through the issue of the Announcement or any other document published in connection with the Offer. The obligations in this paragraph 6 shall survive termination of this letter.

7. Power of attorney

In order to secure the performance of my obligations under paragraphs 2 and 3, I irrevocably appoint any director for the time being of the Offeror to be my attorney to execute in my name and on my behalf such deeds and documents, and to take such other action, as may be necessary for or incidental to the acceptance of the Offer and/or the performance of my other obligations under paragraphs 2 and 3 (including to execute any form of acceptance of the Offer or any form of proxy required by the Offeror appointing any person nominated by it to attend and vote on an Offer Resolution), provided that this appointment shall not take effect unless I fail to comply with any such obligation within the relevant time specified for compliance. I undertake to ratify any act properly performed by my attorney in accordance with the terms of this paragraph 7. This power of attorney is given by way of security and is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until such time as this letter lapses under paragraph 8.1.

8. Lapse of obligations

8.1 This letter will lapse and my obligations under this letter will cease to have effect if:

8.1.1 a press announcement substantially on the terms and conditions set out in the Announcement is not released by 5.00 p.m. on 25 August 2021 (or such later date as the Offeror and the Offeree may agree);

8.1.2 the Offer Document is not published within 28 days of the date of release of the Announcement (or within such longer period as the Offeror, with the consent of the Panel, may determine); or

8.1.3 any competing offer for the issued and to be issued Shares is made which is declared unconditional (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement); or

8.1.4 the Offer lapses or is withdrawn.

8.2 If this letter lapses, no party shall have any claim against any other save in respect of any prior breach and (subject to the requirements of the Code, the Panel and any applicable law or regulation) nothing in this letter shall oblige the Offeror to announce the Offer or, if announced, to make the Offer.

9. Scheme of arrangement

I note that the Offeror reserves the right to implement the acquisition of the Offeree by way of scheme of arrangement (a **Scheme**) under Part 26 of the Act. If the acquisition is so implemented, I confirm and agree that I will enter into an irrevocable undertaking in analogous terms to those contained in this letter in respect of the Scheme.

10. General

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10.1 I confirm that I am not the customer of your financial adviser, Teneo Restructuring Limited (**Teneo**), and that Teneo owes me no duties or responsibilities whatsoever in relation to the Offer or this letter as its customer or deemed customer.

10.2 Nothing in this undertaking shall restrict my duties as a director, including my ability as a director of the Offeree to change my recommendation to shareholders of the Offeree in accordance with my duties as a director of the Offeree.

10.3 Notwithstanding paragraph 10.11 below, I acknowledge and agree that if the Panel determines any provision of this undertaking that requires the Offeree to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

10.4 I confirm that I have been given an adequate opportunity to consider whether or not to enter into this letter and to obtain independent advice.

of the Offer in accordance
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out prejudice to any other
edies of injunction, specific

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I undertake to procure that
letter.

s of Third Parties) Act 1999

is letter shall not affect the

10.5 I agree that if I should fail to accept or procure the acceptance
with my obligations under this letter or should otherwise brea
damages would not be an adequate remedy and that, witho
remedies you may have, you shall be entitled to seek the reme
performance and other equitable relief.

10.6 Any time, date or period referred to in this letter may be va
between the parties but, as regards any time, date or period o
time shall be of the essence.

10.7 In this letter:

10.7.1 **Act** means the Companies Act 2006;

10.7.2 **acting in concert, business day, offer** and **offer period** have t
Code;

10.7.3 being **interested in** or having **interests in** shares or securiti
accordance with the Code and Part 22 of the Act; and

10.7.4 **Options** means any rights in respect of Shares pursuant to t
defined in the Announcement).

10.8 This letter shall be binding on my estate and personal represent

10.9 In respect of any Committed Shares not registered in my name,
their registered holder complies with my obligations under this

10.10 No term of this letter is enforceable under the Contracts (Right
by a person who is not party to it.

10.11 The invalidity, illegality or unenforceability of any provision of th
continuation in force of the remainder of this letter.

11. Governing law

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11.1 This letter and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

11.2 I agree that the courts of England and Wales shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the subject matter of this letter or its formation (including non-contractual disputes or claims).

I intend this letter to be a deed and sign and deliver it as a deed.

Executed and **Delivered** as a **Deed** by **PETER SECKER**

Sign here [redacted]

Witness Signature [redacted]

Witness Name:

Address:

Occupation:

Executed and **Delivered** as a **Deed** by **GANFENG INTERNATIONAL TRADING (SHANGHAI) LIMITED** acting by one director in the presence of:

Sign here [redacted]

Director

Witness Signature:

Witness Name:

Address:

Occupation:

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Schedule 1

The Committed Shares

Registered holder	Beneficial owner	Number of Shares
[redacted]	Peter Secker	336,250

Options

Registered holder	Description of Option	Number of Shares to which the Option relates
Peter Secker	Vested and unvested Options over Shares	421,288
Peter Secker	395,966 unvested restricted share units	N/a

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS ANNOUNCEMENT IS NOT INTENDED TO, AND DOES NOT, CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION 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 OFFER OR OTHERWISE. THE OFFER DOCUMENT OR IF GANFENG ELECTS TO SWITCH TO A SCHEME OF ARRANGEMENT, THE SCHEME DOCUMENT, WILL CONTAIN THE FULL TERMS AND CONDITIONS OF THE PROPOSED OFFER, INCLUDING DETAILS OF HOW TO ACCEPT THE OFFER. ANY RESPONSE TO THE OFFER SHOULD BE MADE ONLY ON THE BASIS OF THE INFORMATION IN THE OFFER DOCUMENT.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UK 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.

25 August 2021

For immediate release

RECOMMENDED CASH OFFER

FOR

BACANORA LITHIUM PLC

BY

GANFENG INTERNATIONAL TRADING (SHANGHAI) LIMITED

Summary and highlights

- On 6 May 2021, Bacanora Lithium PLC ("**Bacanora**") and Ganfeng International Trading (Shanghai) Limited ("**Ganfeng**") announced that they had entered into an agreement (the "**Offer Agreement**") regarding the terms of a possible offer by Ganfeng for the entire issued and to be issued share capital of Bacanora (other than the shares which Ganfeng already owns) at a price of 67.5 pence per Bacanora Share (the "**Possible Offer**") ("**Possible Offer Announcement**"). The terms of the Offer Agreement specified that the announcement by Ganfeng of a firm intention to make an offer for Bacanora was subject to the satisfaction of certain pre-conditions. Bacanora and Ganfeng today confirm that the final outstanding pre-condition has been satisfied.

- The Bacanora Independent Directors and the Ganfeng Board are therefore pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Ganfeng for

the entire issued and to be issued ordinary share capital of Bacanora not already owned by Ganfeng (the "**Offer**"). The Offer is to be effected by means of a takeover offer within the meaning of Part 28 of the Companies Act 2006. Ganfeng reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a scheme of arrangement under Part 26 of the Companies Act.

- The Bacanora Independent Directors also intend to make a distribution *in specie*, comprising the Zinnwald Shares currently owned by Bacanora, to all Bacanora Shareholders (including Ganfeng) on the record date, being the date the Offer becomes or is declared unconditional. The Zinnwald Distribution will be conditional on (1) the approval by the Bacanora Shareholders, Red Kite (under the terms of Bacanora's US$150m senior debt facility) and the Court of the Reduction to create distributable reserves sufficient to make the distribution, (2) the approval by the Bacanora Shareholders and Red Kite of the distribution *in specie*, (3) the Offer becoming or being declared unconditional, and (4) the expiry of the regulatory lock-in restrictions relating to the Zinnwald Shares that are currently applicable to Bacanora.

- Bacanora Shareholders will therefore be entitled to receive:

for each Bacanora Share:	**67.5 pence in cash from Ganfeng pursuant to the Offer (the "Cash Consideration")**
	and
	0.23589 Zinnwald Shares to be distributed by Bacanora (the "Zinnwald Distribution")

- Based on the Closing Price per Zinnwald Share of 25.75 pence on the Last Practicable Date, the Zinnwald Distribution is equivalent in value to 6.1 pence for each Bacanora Share, resulting in Bacanora Shareholders being entitled to receive, when combined with the Cash Consideration, a total value for each Bacanora Share of 73.6 pence (the "**Acquisition Value**"). The Zinnwald Distribution represents an additional 9.0 per cent. of value to Bacanora shareholders over the Cash Consideration as at the Last Practicable Date.

- The Acquisition Value values the entire issued and to be issued ordinary share capital of Bacanora at approximately £284.8 million, representing a premium of approximately 63 per cent. to the Closing Price of 45.0 pence per Bacanora Share on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period).

- The Cash Consideration represents a premium of approximately:

    - 50.0 per cent. to the Closing Price of 45.0 pence per Bacanora Share on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period); and

    - 54.4 per cent. to the volume-weighted average price of 43.7 pence per Bacanora Share for the three months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period).

- 59.4 per cent. to the volume-weighted average price of 42.3 pence per Bacanora Share for the twelve months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period).

- Under the terms of the Zinnwald Distribution, Bacanora Shareholders (including Ganfeng) will be entitled to receive 0.23589 Zinnwald Shares in exchange for each Bacanora Share they hold on the date the Offer becomes or is declared unconditional. The Zinnwald Distribution will be paid as soon as practicable after the later of the Effective Date and and the expiry of the regulatory lock-in restrictions relating to the Zinnwald Shares (being 29 October 2021), and will be paid by Bacanora to Bacanora Shareholders (including Ganfeng) on the register of members of Bacanora on the Record Date. Other than the Zinnwald Distribution, no other dividend or distribution is currently contemplated by Bacanora to be declared, approved, made or paid from the date of this announcement and before the Effective Date. Ganfeng has irrevocably undertaken to vote in favour of the Bacanora Shareholder resolutions to approve the Reduction and the Zinnwald Distribution. Ganfeng has also irrevocably undertaken not to permit the Offer to become or be declared unconditional until the earlier of (i) 30 October 2021 (ii) Day 60 and (iii) the date the Bacanora Board approve the Zinnwald Distribution, and that, should the Offer become unconditional prior to completion of the Reduction and the subsequent approval by the Bacanora Directors of the Zinnwald Distribution, it will use all reasonable endeavours (or reasonable endeavours in relation to obtaining any required Red Kite consent) to procure that the Reduction is completed prior to 30 November 2021 and that the Zinnwald Distribution is made by Bacanora prior to 31 December 2021, and has agreed that subject to meeting those dates Bacanora Shareholders on the Record Date will retain the right to the Zinnwald Distribution despite the transfer of their Bacanora Shares to Ganfeng.

- The Offer will be conditional upon, amongst other matters, Ganfeng receiving valid acceptances in respect of, and/or having otherwise acquired, Bacanora Shares which constitute more than 50 per cent. of the voting rights relating to the Bacanora Shares (including those already held by Ganfeng);

- The Offer also remains conditional on satisfaction of the Mexican Antitrust Clearance condition (as defined below). Ganfeng has informed Bacanora that it has submitted the requisite documentation in Mexico.

- As Xiaoshen Wang represents the interests of Ganfeng on the Bacanora Board, the Bacanora Board has constituted a committee comprising the Bacanora Independent Directors (being all the directors of Bacanora other than Xiaoshen Wang) for the purposes of evaluating and recommending the Offer.

- The Bacanora Independent Directors, who have been so advised by Peel Hunt as to the financial terms of the Offer, taking into account the Zinnwald Distribution, unanimously consider the terms of the Offer to be fair and reasonable. In providing its advice to the Bacanora Independent Directors, Peel Hunt has taken into account the commercial assessments of the Bacanora Independent Directors. Peel Hunt is providing independent financial advice for the purposes of Rule 3 of the Code to the Bacanora Independent Directors.

- Accordingly, the Bacanora Independent Directors intend to recommend unanimously that Bacanora Shareholders accept the Offer. The Bacanora Independent Directors also unanimously consider that the Reduction and the Zinnwald Distribution will promote the success of the Company for the benefit of its members as a whole and accordingly unanimously intend to recommend that Bacanora Shareholders vote in favour of the Resolutions to be proposed at the Bacanora General Meeting. Bacanora Shareholders will only be entitled to receive the Zinnwald Distribution if the Offer becomes or is declared unconditional.

- Ganfeng has received irrevocable undertakings to accept the Offer and vote in favour of the Resolutions from each of the Bacanora Independent Directors who are interested in Bacanora Shares in respect of a total of 3,540,542 Bacanora Shares, representing approximately 0.92 per cent. of Bacanora's current issued ordinary share capital. Under the terms of the irrevocable undertakings the Bacanora Independent Directors have also agreed to enter into irrevocable undertakings on analogous terms should Ganfeng implement the Offer by way of a scheme of arrangement. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

- Ganfeng has received a letter of intent to accept or procure acceptance of the Offer (or, if the Offer is implemented by way of a scheme of arrangement to vote, or procure the vote, in favour of the scheme at the Court meeting and the resolutions at the general meeting) from the M&G Recovery Fund, controlling, in aggregate, approximately 13.7 per cent. of the issued ordinary share capital of Bacanora on the Last Practicable Date. Further details of this letter of intent are set out in Appendix 3 to this Announcement.

- Ganfeng Holdco is one of the largest lithium compounds producers in the world and the world's largest lithium metals producer in terms of production capacity. Ganfeng's Holdco's operations are vertically integrated, including investment in upstream lithium extraction such as the Sonora Lithium Project.

- Ganfeng first invested in Bacanora through an investment agreement in June 2019 and entered into an offtake agreement at the same time. Ganfeng currently owns 50 per cent. of the Sonora Lithium Project directly and is also invested in 110,933,697 Bacanora Shares, representing approximately 28.9 per cent. of the Bacanora Shares in issue as at the Last Practicable Date, and is Bacanora's largest shareholder. On 18 October 2019, Xiaoshen Wang was appointed to the Bacanora Board as a director, representing Ganfeng's shareholding.

- Commenting on the Offer, Xiaoshen Wang, Vice Chairman of Ganfeng, said:

  "Ganfeng is delighted to have reached an agreement with the Bacanora Independent Directors on an attractive proposal for Bacanora Shareholders. We have been working with Bacanora on the Sonora Lithium Project for over two years and we look forward to progressing what we believe to be a significant lithium project through its construction phase to production, targeted in 2023."

- Commenting on the Offer, Mark Hohnen, Chairman of Bacanora, said:

"We are pleased that Bacanora and Ganfeng have been able to work together efficiently to satisfy the pre-conditions and reach an agreement on the terms of a formal Offer. Bacanora has made significant progress advancing the Sonora Lithium Project in the last 11 years and as it looks forward to the construction phase, the Bacanora Board is cognisant of the risks that are inherent in single asset companies and elevated in mining development projects.

The Offer allows Bacanora Shareholders to realise their investment in Bacanora, in cash and at a significant premium to the undisturbed share price. In addition, we are pleased to have agreed that Bacanora Shareholders will maintain an exposure to the lithium industry by retaining an interest in a highly prospective quoted lithium project, through the Zinnwald Distribution."

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement. Appendix 1 sets out the Conditions to which the Offer will be subject and refers to its further terms (which will be set out in full in the Offer Document). Appendix 2 details the sources of financial information and bases of calculation used in the Announcement. Appendix 3 sets out details of irrevocable undertakings provided by the Bacanora Independent Directors and the letter of intent provided by M&G Recovery Fund. Appendix 4 sets out the definitions of certain terms used in the Announcement.

Enquiries

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Craig Lukins	
Dom Young	

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.

Teneo is acting for Ganfeng and no-one else in connection with the Offer and will not be responsible to anyone other than Ganfeng for providing the protections offered to clients of Teneo or for providing advice in relation to the Offer, the contents of this announcement or any matters referred to in this announcement. Teneo is authorised and regulated in the United Kingdom by the Institute of Chartered Accountants in England & Wales for a range of investment business activities. Teneo is registered in England and Wales Company Number 13192958 and its registered office is 6 More London Place, London SE1 2DA. Teneo can be contacted at 60 St Martin's Lane, London, WC2N 4JS.

Teacher Stern LLP is retained as UK legal adviser to Ganfeng.

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

Addleshaw Goddard LLP is retained as UK legal adviser to Teneo.

Important information

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 Offer, the Resolutions 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 will be effected solely through the Offer Document which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document. Each Bacanora Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer 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 accept the Offer 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 Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer 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 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 Offer Document.

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.

The Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this Announcement and any formal documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such 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 acceptance of the Offer.

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 until the date on which the Offer 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.

The Offer relates to securities in a non-US company which is registered in England and Wales which is admitted to trading on the AIM market of the London Stock Exchange, and is subject to the disclosure requirements, rules and practices applicable to such companies, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales. The Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Securities Exchange Act of 1934, as amended, subject to the exemptions provided by Rule 14d-1

thereunder, and otherwise in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures. US Bacanora Shareholders should note that Bacanora is not listed on a US securities exchange, subject to the periodic reporting requirements of the US Securities Exchange Act of 1934, as amended, or required to, and does not, file any reports with the US Securities and Exchange Commission thereunder.

It may be difficult for US Bacanora Shareholders to enforce certain rights and claims arising in connection with the Offer under US federal securities laws since Bacanora is located outside the United States and its officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates to subject themselves to a US court's judgment. You should be aware that Ganfeng may purchase securities otherwise than under the Offer, such as in open market or privately negotiated purchases.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Offer will, subject to certain restrictions, be available for inspection on Ganfeng's website at www.ganfenglithium.com and by Bacanora on its website at www.bacanoralithium.com no later than 12 noon (London time) on the business 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 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 Bacanora's registrars, Link Group, between 9.00 a.m. to 5:30 p.m. (London time) Monday to Friday (except U.K. public holidays) on +44 (0) 371 664 0300 or by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. 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.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in the Announcement), oral statements made regarding the 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.

Any such 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 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 (as applicable).

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.

Disclosure requirements of the Code

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.

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).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made 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 offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (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.

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN OR INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION.

THIS ANNOUNCEMENT IS NOT INTENDED TO, AND DOES NOT, CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION 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 OFFER OR OTHERWISE. THE OFFER DOCUMENT OR IF GANFENG ELECTS TO SWITCH TO A SCHEME OF ARRANGEMENT, THE SCHEME DOCUMENT, WILL CONTAIN THE FULL TERMS AND CONDITIONS OF THE OFFER, INCLUDING DETAILS OF HOW TO ACCEPT THE OFFER. ANY RESPONSE TO THE OFFER SHOULD BE MADE ONLY ON THE BASIS OF THE INFORMATION IN THE OFFER DOCUMENT.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UK 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.

25 August 2021

For immediate release

RECOMMENDED CASH OFFER

FOR

BACANORA LITHIUM PLC

BY

GANFENG INTERNATIONAL TRADING (SHANGHAI) LIMITED

Introduction

On 6 May 2021, Bacanora Lithium PLC ("**Bacanora**") and Ganfeng International Trading (Shanghai) Limited ("**Ganfeng**") announced that they had entered into an agreement (the "**Offer Agreement**") regarding the terms of a possible offer by Ganfeng for the entire issued and to be issued share capital of Bacanora (other than the shares which Ganfeng already owns) at a price of 67.5 pence per Bacanora Share (the "**Possible Offer**") ("**Possible Offer Announcement**"). The terms of the Offer Agreement specified that the announcement by Ganfeng of a firm intention to make an offer for Bacanora was subject to the satisfaction of certain pre-conditions. Bacanora and Ganfeng today confirm that the final outstanding pre-condition has been satisfied.

The Ganfeng Board and the Bacanora Independent Directors are therefore now pleased to announce that they have reached agreement on the terms of a recommended cash offer (the "**Offer"**) to be made by

Ganfeng for the whole of the ordinary share capital of Bacanora not already owned by Ganfeng. The Offer is to be effected by means of a takeover offer within the meaning of Part 28 of the Companies Act 2006. Ganfeng reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a scheme of arrangement under Part 26 of the Companies Act.

The Bacanora Independent Directors also intend to make a distribution *in specie*, comprising the Zinnwald Shares currently owned by Bacanora, to all Bacanora Shareholders (including Ganfeng) on the record date, being the date the Offer becomes or is declared unconditional. The Zinnwald Distribution will be conditional on (1) the approval by the Bacanora Shareholders, Red Kite (under the terms of Bacanora's US$150m senior debt facility) and the Court of the Reduction to create distributable reserves sufficient to make the distribution, (2) the approval by the Bacanora Shareholders and Red Kite of the distribution *in specie*, (3) the Offer becoming or being declared unconditional, and (4) the expiry of the regulatory lock-in restrictions relating to the Zinnwald Shares that are currently applicable to Bacanora.

As Xiaoshen Wang represents the interests of Ganfeng on the Bacanora Board, the Bacanora Board has constituted a committee comprising the Bacanora Independent Directors for the purposes of evaluating and recommending the Offer.

The Bacanora Independent Directors, who have been so advised by Peel Hunt as to the financial terms of the Offer, taking into account the Zinnwald Distribution, unanimously consider the terms of the Offer to be fair and reasonable. In providing its advice to the Bacanora Independent Directors, Peel Hunt has taken into account the commercial assessments of the Bacanora Independent Directors. Peel Hunt is providing independent financial advice for the purposes of Rule 3 of the Code to the Bacanora Independent Directors.

Accordingly, the Bacanora Independent Directors intend to recommend unanimously that Bacanora Shareholders accept the Offer and vote in favour of the Resolutions to be proposed at the Bacanora General Meeting.

Ganfeng has received irrevocable undertakings to accept the Offer and vote in favour of the Resolutions from each of the Bacanora Independent Directors who are interested in Bacanora Shares in respect of a total of 3,540,542 Bacanora Shares, together representing approximately 0.92 per cent. of Bacanora's issued ordinary share capital. Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Summary of the terms of the Offer

Bacanora Shareholders will be entitled to receive:

for each Bacanora Share:	**67.5 pence in cash from Ganfeng pursuant to the Offer (the "Cash Consideration")**
	and
	0.23589 Zinnwald Shares to be distributed by Bacanora (the "Zinnwald Distribution")

Based on the Closing Price per Zinnwald Share of 25.75 pence on the Last Practicable Date, the Zinnwald Distribution is equivalent in value to 6.1 pence for each Bacanora Share, resulting in Bacanora Shareholders being entitled to receive, when combined with the Cash Consideration, a total value for each Bacanora Share of 73.6 pence (the "**Acquisition Value**"). The Zinnwald Distribution represents an additional 9.0 per cent. of value to Bacanora shareholders over the Cash Consideration as at the Last Practicable Date.

The Acquisition Value values the entire issued and to be issued ordinary share capital of Bacanora at approximated £284.8 million, representing a premium of approximately 63 per cent. to the Closing Price of 45.0 pence per Bacanora Share on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period).

The Cash Consideration represents a premium of approximately:

- 50.0 per cent. to the Closing Price of 45.0 pence per Bacanora Share on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period);

- 54.4 per cent. to the volume-weighted average price of 43.7 pence per Bacanora Share for the three months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period); and

- 59.4 per cent. to the volume-weighted average price of 42.3 pence per Bacanora Share for the twelve months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period).

The Bacanora Shares shall be acquired under the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any, other than the Zinnwald Distribution) declared, made or paid on or after the date of this Announcement.

If, after the date of this Announcement and before the Effective Date, 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, other than the Zinnwald Distribution, 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. If Ganfeng exercises this right or makes such a reduction in respect of a dividend and/or other distribution and/or return of capital, Bacanora Shareholders will be entitled to receive and retain that dividend and/or distribution and/or return of capital. Any exercise by Ganfeng of its right referred to in this paragraph shall be subject of an announcement and, for the avoidance of doubt, shall not constitute a revision or variation to the terms of the Offer.

The Offer will be conditional upon, amongst other matters, Ganfeng receiving valid acceptances in respect of, and/or having otherwise acquired, Bacanora Shares which constitute more than 50 per cent. of the voting rights relating to the Bacanora Shares (including those already held by Ganfeng) and satisfaction of the Mexican Antitrust Clearance condition (as defined below).

The Offer will be subject to the Conditions and further terms set out or referred to in Appendix 1 to this Announcement, and to the further terms to be set out in the Offer Document and the accompanying Form of Acceptance, which will be sent to Bacanora Shareholders as soon as possible and in any event no later than 28 days after the date of this Announcement (or such later date as may be agreed with the Panel).

Bacanora Incentive Schemes

Ganfeng will make appropriate proposals to the holders of options granted under the relevant Incentive Scheme in accordance with Rule 15 of the Code. Full details of the effect of the Offer on participants' rights under the Incentive Schemes, and the actions they may take will be communicated to participants in separate letters to be sent to them when the Offer Document is published.

Recommendation

The Independent Bacanora Directors, who have been so advised by Peel Hunt as to the financial terms of the Offer, taking into account the Zinnwald Distribution, unanimously consider the terms of the Offer to be fair and reasonable. In providing its advice to the Bacanora Independent Directors, Peel Hunt has taken into account the commercial assessments of the Bacanora Independent Directors. Peel Hunt is providing independent financial advice for the purposes of Rule 3 of the Code to the Bacanora Independent Directors.

Accordingly, the Bacanora Independent Directors intend unanimously to recommend that Bacanora Shareholders accept the Offer, and the Bacanora Independent Directors also unanimously consider that the Reduction and Zinnwald Distribution will promote the success of Bacanora for the benefit of its members as a whole and accordingly unanimously recommend that Bacanora Shareholders vote in favour of the Resolutions at the Bacanora General Meeting, as they have irrevocably undertaken to do in respect of their own respective beneficial shareholdings of Bacanora Shares (representing in aggregate approximately 0.92 per cent. of the Bacanora Shares at present in issue).

Bacanora Shareholders will only be entitled to receive the Zinnwald Distribution if the Offer becomes or is declared unconditional.

Irrevocable undertakings and letters of intent

As noted above, the Bacanora Independent Directors have irrevocably undertaken to accept the Offer (or where applicable procure the acceptance of the Offer) and to vote (or, where applicable, procure voting) in favour of the Resolutions to be proposed at the Bacanora General Meeting in respect of their own beneficial holdings of, in aggregate, 3,540,542 Bacanora Shares, representing approximately 0.92 per cent. of the existing issued ordinary share capital of Bacanora as at the Last Practicable Date.

Ganfeng has received a letter of intent to accept or procure acceptance of the Offer (or, if the Offer is implemented by way of a scheme of arrangement to vote, or procure the vote, in favour of the scheme at the Court meeting and the resolutions at the general meeting) from the M&G Recovery Fund, controlling, in aggregate, approximately 13.7 per cent. of the issued ordinary share capital of Bacanora on the Last Practicable Date.

required Red Kite consent) to procure that the Reduction is completed prior to 30 November 2021 and that the Zinnwald Distribution is made by Bacanora prior to 31 December 2021, and has agreed that subject to meeting those dates Bacanora Shareholders on the Record Date will retain the right to the Zinnwald Distribution despite the transfer of their Bacanora Shares to Ganfeng.

Background to, and Reasons for, the Recommendation

Bacanora has sought to create shareholder value by identifying and investing in undeveloped lithium assets. Over the past six years, Bacanora has developed the Sonora Lithium Project through feasibility and engineering to a preliminary development stage. Bacanora de-risked the sales of lithium products to be produced from the Sonora Lithium Project by entering into an offtake agreement with Hanwa Co., LTD in 2017, and then with Ganfeng in 2019. As a result, 100 per cent. of stage 1 production and 75 per cent. of stage 2 is under long term off-take agreements to deliver product to China and Japan. In 2019 and 2021, Bacanora further de-risked the Sonora Lithium Project by entering into a joint venture strategy with Ganfeng, one of the largest lithium producers in the world.

As Xiaoshen Wang represents the interests of Ganfeng on the Bacanora Board, for the purpose of considering the Offer, the Bacanora Board constituted a committee comprising the Bacanora Independent Directors to consider the Offer.

In considering the Offer, the Bacanora Independent Directors have taken account of both the long term potential value of Bacanora and the risks in achieving this value. The following factors have been considered:

- the Offer provides an immediate liquidity opportunity for all Bacanora Shareholders to realise their investment in Bacanora in full, in cash and at a significant premium to the undisturbed share price;

- Bacanora is materially exposed to the price of lithium, which has been volatile in recent years;

- there are risks associated with Bacanora's development of the Sonora Lithium Project, which remains several years away from commercial production;

- the Cash Consideration represents a premium of approximately:

    - 50.0 per cent. to the Closing Price per Bacanora Share of 45.0 pence on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period);

    - 54.4 per cent. to the volume-weighted average price per Bacanora Share for the three months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period); and

    - 59.4 per cent. to the volume-weighted average price of 42.3 pence per Bacanora Share for the twelve months ended 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period);

- in addition, the Zinnwald Distribution allows Bacanora Shareholders to retain exposure to the lithium market through a shareholding in a London quoted lithium company;

- the Acquisition Value, including the implied value of the Zinnwald Distribution, equates to a premium of approximately 63 per cent. to the Closing Price of 45.0 pence per Bacanora Share on 5 May 2021 (being the last practicable date prior to the commencement of the Offer Period);

- the terms of the Offer compare favourably to the assessments of the Bacanora Independent Directors of: (i) relevant, comparable transactions in the sector; (ii) the risk-adjusted value of the Sonora Lithium Project discounted to the present day, noting that, whilst historic project valuations have presented the Sonora Lithium Project on a 100 per cent. stand-alone basis, current post tax economic valuations must take into account costs associated with debt funding, the fact that Bacanora owns only 50 per cent. of the operational holding company Sonora Lithium Ltd and, in addition, that 5 out of 7 of the Sonora Lithium Project leases are held in 70/30 joint venture with Cadence Minerals plc; and, (iii) the Company's global listed peer group;

- Ganfeng already owns 50 per cent. of Sonora Lithium Ltd, the operational holding company for the Sonora Lithium Project, and 28.9 per cent. of Bacanora, which provides Ganfeng with significant influence over the strategic direction and progress of the Company, even in the event that the Offer does not complete;

- there are significant technical, financial, commodity price and geopolitical risks inherent in the development of any large scale, greenfield, mining project, including:

    - there will continue to be price volatility in the lithium market over the next decade as lithium usage in the energy storage sector is still a relatively new application for this commodity. Product pricing has yet to be regulated as an exchange traded commodity and continues to be traded under medium and long term off-take agreements controlled by a relatively small number of the larger lithium producers;

    - over the past 3 years as a result of significant over-production of lower value lithium concentrates from the Australian market, contract prices for battery grade lithium products have traded from a high of US$15,000/t to approximately US$5,000/t and whilst contract pricing is returning to US$10,000/t, the Bacanora Independent Directors believe price volatility will continue as the lithium industry continues to develop;

    - there is still significant mothballed lithium production capacity in Australia that can be re-introduced into the market as lithium prices approach US$10,000/t;

    - the Sonora Lithium Project remains several years away from production which is currently scheduled for H2 2023. It is common for both major and junior miners to face significant challenges during this development stage of mining operations, including *inter alia* technical risks, financing risks and the risk of delays to first cash flows and associated debt repayment schedules;

- the nature of the Sonora Lithium Project deposits is a lithium clay resource type and has not yet been mined in Mexico. There is the potential for unforeseen technical and processing challenges which may negatively impact timing of development, capital cost requirements and further equity issuance, production rates and consequently the Company's financing arrangements;

- as noted in Bacanora's announcement of 22 June 2021, due to extension fee considerations and the limited availability period for an extension, the Company and Red Kite agreed that the majority of its undrawn debt facility (the **"RK Facility"**), amounting to US$125 million, will no longer be available for drawdown. Although Bacanora has sufficient cash to support development of the Sonora Lithium Project for the next 15 months, beyond this period, Bacanora will require an additional debt facility or alternative financing to replace the undrawn portion of the RK Facility. Whilst the Bacanora Independent Directors are optimistic that debt funding can be provided on terms that are comparatively more favourable to the RK Facility, there can be no guarantee that debt will be available nor whether a facility will be provided on less onerous terms;

- commencement of early earth works have already been impacted by the Covid-19 pandemic. The ongoing impact of the Covid-19 pandemic may cause further delays to development through a reduction in size of the available workforce and/or supply chain disruption. Prolonged travel restrictions could lead to further delays to construction and impact the timing of first production and revenues; and

- Mexican President Lopez Obrador confirmed in March 2021 that his government was studying a proposal to nationalise lithium production in the country. Whilst the Company believes the risk of the nationalisation of existing projects, such as the Sonora Lithium Project, is remote, there remains an economic risk to Bacanora Shareholders; and

- there is no deferred or contingent consideration associated with the Offer, allowing Shareholders the opportunity to realise a full cash exit at a premium immediately upon the Offer becoming or being declared unconditional.

Whilst the Bacanora Independent Directors therefore believe in the future growth potential of Bacanora over the medium to long term, having considered the risks, particularly with regards to the operational challenges associated with delivering production, they consider that Ganfeng's proposal of 67.5 pence per Bacanora Share, together with the proposed Zinnwald Distribution, fully recognises Bacanora's growth potential, whilst providing certainty, in cash, to Bacanora Shareholders.

Accordingly, the Bacanora Independent Directors intend to recommend unanimously that Bacanora Shareholders accept the Offer and vote in favour of the Resolutions at the Bacanora General Meeting.

Information on Ganfeng and Ganfeng Holdco

Ganfeng is a company incorporated in Shanghai in the People's Republic of China and a wholly owned subsidiary of Ganfeng Holdco.

Ganfeng Holdco is one of the largest lithium compounds producers in the world and the world's largest lithium metals producer in terms of production capacity. Ganfeng Holdco's operations are vertically integrated, including investment in upstream lithium extraction such as the Sonora Lithium Project.

Information on Bacanora

Bacanora is a lithium development company focused on building, in collaboration with its major shareholder and offtake partner, Ganfeng, a 20,000 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.

Sonora Lithium Ltd ("**SLL**") is the operational holding company for the Sonora Lithium Project and owns 100 per cent. of the La Ventana concession. The La Ventana concession accounts for 88 per cent. 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 per cent. by Bacanora and 50 per cent. by Ganfeng. SLL also owns 70 per cent. of the El Sauz and Fleur concessions.

Bacanora also owns 35.5 per cent. of Zinnwald, which in turn owns the Zinnwald Lithium Project and the Falkenhain, Altenberg and Sadisforf Licences in southern Saxony, Germany.

Bacanora's business, management, employees and pension schemes

Ganfeng recognises the quality of Bacanora's employees and management team and their importance to the success of Bacanora and the Sonora Lithium Project. Ganfeng intends to support the business to help develop and execute the Sonora Lithium Project in line with the current timetable of reaching production by H2 2023.

If Ganfeng receives the requisite levels of acceptances under the Offer, Ganfeng's intention is to seek to (1) exercise its rights in accordance with sections 974 to 991 of the Companies Act to acquire compulsorily the remaining Bacanora Shares on the same terms as the Offer (2) cancel the admission to trading on AIM of the Bacanora Shares, and (3) re-register Bacanora as a private limited company, as described in the paragraph headed "Compulsory acquisition, cancellation of trading and re-registration" below.

With regard to its plans for the continued employment of Bacanora management and employees, other than as set out below, there is no intention to change the nature, location and conditions of employment for Bacanora management and employees following the Offer becoming or being declared unconditional. This will allow for a smooth and seamless transition of ownership from Bacanora to Ganfeng upon the change of ownership with no impact on the expected timetable for completing development and achieving production at the Sonora Lithium Project as described above.

Following the Offer becoming or being declared unconditional, Ganfeng intends to use Ganfeng's existing central management functions to manage the Sonora Lithium Project through existing Ganfeng employees. In addition, once Bacanora ceases to be a quoted company, a number of quoted company-related functions will become unnecessary. This is expected to lead to a reduction in the headcount of Bacanora's corporate and central management segment. It is intended that Peter Secker will be retained for a limited period for transitional purposes. It is also intended that each of the Independent Directors of Bacanora will resign from the Bacanora Board, conditional upon and with effect from the Effective Date.

Other than as noted above, there is no intention to make any material change to the balance of skills and functions of Bacanora's employees and management.

There is no intention to make any changes to the current levels of pension contributions for existing members of, or admission of new members to, Bacanora's defined contribution pension plan. Bacanora does not operate any defined benefit pension schemes.

Ganfeng has no intention to redeploy any material fixed assets of Bacanora or change Bacanora's locations of business as a consequence of the Offer, although, as noted above, it is intended that central management of the Sonora Lithium Project will transition to Ganfeng, resulting in a relocation of Bacanora's headquarters in London to Ganfeng's headquarters in China. To Ganfeng's knowledge, Bacanora has no research and development function. Ganfeng also intends to simplify the corporate structure where entities are no longer required as a result of the above changes.

Financing of the Offer

Teneo, in its capacity as financial adviser to Ganfeng, is satisfied that sufficient resources are available to Ganfeng to satisfy, in full, the cash consideration payable to Bacanora Shareholders under the terms of the Offer.

The cash consideration payable for the Offer will be funded through Ganfeng's existing cash resources.

Offer-related arrangements

Confidentiality Agreement

Ganfeng entered into a confidentiality agreement with Bacanora on 29 April 2021 (the "**Confidentiality Agreement**") pursuant to which each of Ganfeng and Bacanora has undertaken to keep confidential information relating to the Offer and the other party and not to disclose it to third parties (with certain customary exceptions). These confidentiality obligations will cease to have effect upon the Offer becoming Effective or, until the date falling two years from the date of the Confidentiality Agreement.

The Confidentiality Agreement also includes customary standstill and non-solicitation obligations on Ganfeng.

Offer Agreement

Bacanora and Ganfeng entered into the Offer Agreement on 6 May 2021.

The Offer Agreement contains, *inter alia*, details of the pre-conditions which were required to be satisfied or, where capable, waived, before the release of this Announcement.

The pre-conditions have now been satisfied and, accordingly, the Offer Agreement has terminated upon release of this Announcement.

A summary of the terms of the Offer Agreement was provided in the Possible Offer Announcement.

Opening Position Disclosure

Ganfeng confirms that it has made an Opening Position Disclosure, which sets out the details required to be disclosed by it under Rule 8.1(a) of the Code.

Posting of the Offer Document and Reduction circular

The formal Offer Document containing full information relating to the Offer, including its terms and conditions, together with the Form of Acceptance, will be dispatched to Bacanora Shareholders as soon as reasonably practicable, and in any event within 28 days of the date of this Announcement (or such later date as may be agreed with the Panel).

A circular setting out full details of the Reduction and the Zinnwald Distribution and convening the Bacanora General Meeting will be posted to Bacanora Shareholders as soon as reasonably practicable.

Structure and Conditions to the Offer

It is intended that the Offer shall be effected by means of a takeover offer within the meaning of the Companies Act for the entire issued and to be issued ordinary share capital of Bacanora that Ganfeng does not already hold. However, Ganfeng reserves the right to elect, with the consent of the Panel (where necessary) to implement the Offer by way of a Court-sanctioned scheme of arrangement in accordance with Part 26 of the Companies Act.

The purpose of the Offer is to provide for Ganfeng to become the holder of the entire issued and to be issued ordinary share capital of Bacanora. This is to be achieved by the transfer to Ganfeng of the Bacanora Shares not already held by Ganfeng, in consideration for which the Bacanora Shareholders who accept the Offer shall receive Cash Consideration on the basis set out in this Announcement under the heading 'The Offer'.

The Offer is subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Offer Document and the accompanying Form of Acceptance, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- Ganfeng receiving valid acceptances in respect of such number of Bacanora Shares which, when aggregated with the Bacanora Shares held by Ganfeng at the date of the Offer and any Bacanora Shares acquired or agreed to be acquired by Ganfeng on or after such date, constitute more than 50 per cent. of the voting rights relating to the Bacanora Shares;

- as certain of Bacanora's assets are held in and by Mexican corporate entities, the Offer is

(except those in Restricted Jurisdictions) at no charge to them. Bacanora Shareholders are urged to read the Offer Document and the accompanying Form of Acceptance when they are sent to them because they will contain important information.

Compulsory acquisition, cancellation of trading, and re-registration

If Ganfeng receives acceptances under the Offer in respect of, and/or otherwise acquires, both 90 per cent. or more in value of the Bacanora Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by those shares, and assuming that all of the other Conditions of the Offer have been satisfied or waived (if capable of being waived), Ganfeng intends to exercise its rights in accordance with sections 974 to 991 of the Companies Act to acquire compulsorily the remaining Bacanora Shares on the same terms as the Offer.

Following the Offer becoming or being declared unconditional, if Ganfeng receives acceptances under the Offer in respect of, and/or otherwise acquires 75 per cent. or more of the voting rights carried by the Bacanora Shares (including the Bacanora Shares it already owns), Ganfeng intends to procure that Bacanora will make applications to cancel the admission of the Bacanora Shares to trading on AIM and, subject always to the earlier of (a) completion of the Reduction and the approval and settlement of the Zinnwald Distribution or (b) 31 December 2021, to re-register Bacanora as a private company under the relevant provisions of the Companies Act.

If such application for cancellation of the admission of the Bacanora Shares to trading on AIM is made, it is expected that such cancellation will take place no earlier than 20 Business Days after the date on which Ganfeng has, by virtue of its shareholding and acceptances of the Offer, acquired, or agreed to acquire, 75 per cent. of the voting rights attaching to the Bacanora Shares. Ganfeng will procure that Bacanora makes a regulatory announcement when the necessary 75 per cent. threshold has been reached confirming that the notice period has commenced and the anticipated date of cancellation.

Delisting of the Bacanora Shares and the re-registration of Bacanora as a private limited company would significantly reduce the liquidity and marketability of any Bacanora Shares in respect of which the Offer has not been accepted at that time, and Bacanora's reporting and disclosure requirements will be significantly reduced. Any remaining Bacanora Shareholders would become minority shareholders in a majority controlled private limited company and may therefore be unable to sell their Bacanora Shares. There can be no certainty that Bacanora would pay any dividends or other distributions or that such minority Bacanora Shareholders would again be offered an opportunity to sell their Bacanora Shares on terms which are equivalent to, or no less advantageous than, those under the Offer.

Disclosure of interests in Bacanora securities

Save in respect of the irrevocable undertakings referred to above and in Appendix 3, as at the close of business on the Last Practicable Date, Ganfeng held 110,933,697 Bacanora Shares.

Save as set out above, neither Ganfeng, nor any of the directors of Ganfeng, nor, so far as Ganfeng is aware, any person acting in concert (within the meaning of the Code) with it for the purposes of the Offer (i) had

any interest in or right to subscribe for or had borrowed or lent any Bacanora Shares or securities convertible or exchangeable into Bacanora Shares, or (ii) had any short positions in respect of relevant Bacanora Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant Bacanora Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code) save for any borrowed shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

General

The Offer will be subject to the terms and conditions set out in Appendix 1 to this Announcement and to be set out in the Offer Document.

Appendix 2 to this Announcement contains the bases and sources of certain information used in this Announcement. Appendix 3 to this Announcement contains details of the irrevocable undertakings and letter of intent received in relation to the Offer that are referred to in this Announcement. Appendix 4 to this Announcement contains definitions of certain terms used in this Announcement.

Each of Peel Hunt and Teneo has given and not withdrawn its consent to the inclusion in this Announcement of the references to its name in the form and context in which they appear.

Documents available on a website

In accordance with Rule 26.2 of the Code, subject to certain restrictions relating to persons in Restricted Jurisdictions, copies of the following documents will, by no later than 12 noon (London time) on the business day following the date of this Announcement, be made available on Bacanora's website at www.bacanoralithium.com and Ganfeng's website at www.ganfenglithium.com (as applicable) until the end of the Offer Period:

- the Confidentiality Agreement;
- the Offer Agreement;
- the irrevocable undertakings and letter of intent referred to in Appendix 3 to this Announcement;
- the irrevocable undertaking given by Ganfeng to vote in favour of the Bacanora Shareholder resolutions to approve the Reduction and the Zinnwald Distribution;

- the written consents of each of Peel Hunt and Teneo; and
- a copy of this Announcement.

Neither the contents of Bacanora's website nor the contents of Ganfeng's website, nor the content of any other website accessible from hyperlinks on either such website, is incorporated into, or forms part of, this Announcement.

Enquiries

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Dom Young

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.

Teneo is acting for Ganfeng and no-one else in connection with the Offer and will not be responsible to anyone other than Ganfeng for providing the protections offered to clients of Teneo or for providing advice in relation to the Offer, the contents of this announcement or any matters referred to in this announcement. Teneo is authorised and regulated in the United Kingdom by the Institute of Chartered Accountants in England & Wales for a range of investment business activities. Teneo is registered in England and Wales Company Number 13192958 and its registered office is 6 More London Place, London SE1 2DA. Teneo can be contacted at 60 St Martin's Lane, London, WC2N 4JS.

Teacher Stern LLP is retained as UK legal adviser to Ganfeng.

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

Addleshaw Goddard LLP is retained as UK legal adviser to Teneo.

Important information

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 Offer, the Resolutions 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 will be effected solely through the Offer Document which will contain the full terms and conditions of the Offer. Any vote, decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document. Each Bacanora Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer 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 accept the Offer 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 Offer, disclaim any responsibility or liability for the violation of such restrictions by any person.

The availability of the Offer 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 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 Offer Document.

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.

The Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this Announcement and any formal documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such 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 acceptance of the Offer.

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 until the date on which the Offer 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.

The Offer relates to securities in a non-US company which is registered in England and Wales which is admitted to trading on the AIM market of the London Stock Exchange, and is subject to the disclosure requirements, rules and practices applicable to such companies, which differ from those of the United States in certain material respects. This document has been prepared in accordance with UK style and practice for the purpose of complying with the laws of England and Wales. The Offer is being made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the US Securities Exchange Act of 1934, as amended, subject to the exemptions provided by Rule 14d-1 thereunder, and otherwise in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements that are different from those applicable under US domestic tender offer procedures. US Bacanora Shareholders should note that Bacanora is not listed on a US securities exchange, subject to the periodic reporting requirements of the US Securities Exchange Act of 1934, as amended, or required to, and does not, file any reports with the US Securities and Exchange Commission thereunder.

It may be difficult for US Bacanora Shareholders to enforce certain rights and claims arising in connection with the Offer under US federal securities laws since Bacanora is located outside the United States and its officers and directors reside outside the United States. It may not be possible to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. It also may not be possible to compel a non-US company or its affiliates

to subject themselves to a US court's judgment. You should be aware that Ganfeng may purchase securities otherwise than under the Offer, such as in open market or privately negotiated purchases.

Publication on website

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Offer will, subject to certain restrictions, be available for inspection on Ganfeng's website at www.ganfenglithium.com and by Bacanora on its website at www.bacanoralithium.com no later than 12 noon (London time) on the business 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 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 Bacanora's registrars, Link Group, between 9.00 a.m. to 5:30 p.m. (London time) Monday to Friday (except U.K. public holidays) on +44 (0) 371 664 0300 or by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. 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.

Cautionary note regarding forward-looking statements

This Announcement (including information incorporated by reference in the Announcement), oral statements made regarding the 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.

Any such 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 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 (as applicable).

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.

Disclosure requirements of the Code

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.

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).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made 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 offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (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
CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

The Offer, which will be made by Ganfeng, will comply with the Code and all applicable rules and regulations of the London Stock Exchange, will be governed by English law and will be subject to the jurisdiction of the Courts of England.

In addition, the Offer will be subject to the terms to be set out in the Offer Document and the accompanying Form of Acceptance.

Part A: Conditions to the Offer

The Offer will be subject to the terms and conditions set out in this Appendix I and to be set out in the Offer Document.

Acceptance condition

1. The Offer will be conditional upon valid acceptances of the Offer having been received (and not validly withdrawn in accordance with the rules and requirements of the Code and the terms of the Offer) by no later than 1.00pm (London time) on the Unconditional Date (or such other times and/or dates as Ganfeng may specify, subject to the rules of the Code and where applicable with the consent of the Panel) in respect of such number of Bacanora Shares which, when aggregated with the Bacanora Shares held by Ganfeng at the date of the Offer and any Bacanora Shares acquired or agreed to be acquired by Ganfeng on or after such date, carry more than 50 per cent. of the voting rights then exercisable at a general meeting of Bacanora, provided that unless the Panel consents otherwise, this Condition shall only be capable of being satisfied when all other Conditions set out in paragraph 2 below have been satisfied or waived;

   For the purposes of this Condition 1:

   (a) Bacanora Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;

   (b) valid acceptances shall be deemed to have been received in respect of Bacanora Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by Ganfeng, whether by virtue of acceptance of the Offer or otherwise; and

   (c) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue excluding any and all shares held in treasury by Bacanora from time to time.

2. Subject to the provisions of Part B of this Appendix 1 and the requirements of the Panel in accordance with the Code, the Offer is also conditional upon the satisfaction, or, where relevant, waiver of the following Conditions, and accordingly, the Offer will not become or be declared unconditional unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

   Mexican competition clearance

2.1 either (a) the deemed unconditional approval of the Offer by the FECC, or (b) the issuance by the FECC of a resolution granting unconditional approval of the Offer;

Notifications, waiting periods and authorisations

2.2 excluding the Mexican Antitrust Condition set out in paragraph 2.1 above, all necessary notifications, filings and applications having been made in connection with the Offer, all regulatory and statutory obligations in any relevant jurisdiction reasonably deemed necessary by Ganfeng having been complied with in connection with the Offer, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulations of any relevant jurisdiction reasonably deemed necessary by Ganfeng having expired, lapsed or been terminated in each case in respect of the Offer and all necessary authorisations and consents having been obtained in terms and in a form reasonably satisfactory to Ganfeng from appropriate third parties in connection with the Offer or the proposed acquisition of any shares or other securities in, or control or management of, Bacanora or any other member of the Wider Bacanora

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directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Bacanora Group or the Wider Ganfeng Group or to exercise management control over any such member;

(f) otherwise adversely affect the business, assets, liabilities, trading position, value, profits, operational performance, or prospects of any member of the Wider Ganfeng Group or of any member of the Wider Bacanora Group in a manner which is material in the context of the Wider Ganfeng Group or the Wider Bacanora Group;

(g) make the Offer or its implementation of the Offer or proposed Offer by Ganfeng or any member of the Wider Ganfeng Group of any shares or other securities in, or control of Bacanora void, voidable, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, prevent, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere or require material amendment to the terms of the Offer or the proposed acquisition of any shares or other securities in, or control or management of, Bacanora by any by of the Wider Ganfeng Group;

(h) impose any limitation on, or result in any delay in, the ability of any member of the Wider Ganfeng Group or the Wider Bacanora Group to conduct, integrate or co-ordinate its business, or any part of it, with the businesses of any other members of the Wider Ganfeng Group and/or the Wider Bacanora Group in each case in a manner which is material in the context of the Wider Ganfeng Group or the Wider Bacanora Group in each case taken as a whole;

or the Wider

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(i) require any member of the Wider Bacanora Group or the Wider Ganfeng Group to relinquish, terminate or amend in any way any material contract to which any member of the Wider Bacanora Group or the Wider Ganfeng Group, as applicable, is a parresu2.71 1.92 000008871/2 re re W* n BT case ann shictis aterial he ntext

void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Offer or any matter arising from the proposed acquisition of any shares or other securities in, or in control of, any member of the Wider Bacanora Group by any member of the Wider Ganfeng Group;

Frustrating action

2.6 except with the consent or the agreement of Ganfeng, no resolution of Bacanora Shareholders in relation to any offer or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, demerger, consolidation, reconstruction, amalgamation or scheme) being passed at a meeting of Bacanora Shareholders other than in relation to the Offer and, other than with the consent or the agreement of Ganfeng, no member of the Wider Bacanora Group having taken (or agreed or proposed to take) any action that requires, or would require, the consent of the Panel or the approval of Bacanora Shareholders in accordance with, or as contemplated by, Rule 21.1 of the Code;

Certain matters arising as a result of any arrangement or agreement

2.7 except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Bacanora Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any event or circumstance which, as a consequence of the Offer or any the proposed Offer by any member of the Wider Ganfeng Group of any shares or other securities (or the equivalent) in Bacanora or because of a change in the control or management of any member of the Wider Bacanora Group or otherwise, would or might reasonably be expected to result in (in each case to an extent or in a manner which is material in the context of the Wider Bacanora Group):

(a) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to member of the Wider Bacanora Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(b) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any member of the Wider Bacanora Group thereunder being, or becoming capable of being, terminated or adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;

(c) any asset owned or used by, or interests in, any member of the Wider Bacanora Group being disposed of or charged or ceasing to be available to any member of the Wider Bacanora Group or any right arising under which any such asset or interest could be required to be disposed of or charged or cease to be available to any member of the Wider Bacanora Group otherwise than in the ordinary and usual course of business;

(d) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider Bacanora Group or any such mortgage, charge or other security (whenever created, arising or having arisen) becoming enforceable;

(e) the rights, liabilities, obligations, interests or business of any member of the Wider Bacanora Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Bacanora Group in or with any other person or body or firm or company

(or any arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

(f) the value of any member of the Wider Bacanora Group or its business, assets, value, financial or trading position, profits, operational performance or prospects being prejudiced or adversely affected;

(g) any member of the Wider Bacanora Group ceasing to be able to carry on business under any name under which it presently does so;

(h) the creation or acceleration of any liability, actual or contingent, by any member of the Wider Bacanora Group (including any tax liability which would be material in the context of the Wider Bacanora Group);

(i) any liability of any member of the Wider Bacanora Group to make any severance, termination, bonus or other payment to any of its directors or other officers; or

(j) any requirement on any member of the Wider Bacanora Group to acquire, subscribe, pay up or repay any shares or other securities in another corporate entity (other than in respect of another member of the Wider Bacanora Group),

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Bacanora Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or is reasonably likely to result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (j) of this Condition to an extent which is or which would be material in the context of the Wider Bacanora Group;

Certain events occurring since 31 December 2020

2.8 except as Disclosed, no member of the Wider Bacanora Group having, since 31 December 2020:

(a) save as between Bacanora and wholly-owned subsidiaries of Bacanora, issued, agreed to issue, authorised or proposed the issue of additional shares of any class or agreed to transfer or sell or authorised or proposed the transfer or sale of Bacanora Shares out of treasury;

(b) save as between Bacanora and wholly-owned subsidiaries of Bacanora, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

(c) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise which is material in the context of the Wider Bacanora Group taken as a whole;

(d) other than pursuant to the Offer or transactions in the ordinary and usual course of business, merged or demerged with any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, offer or disposal, transfer, mortgage, charge or security interest, in any such case to an extent which is material in the context of the Wider Bacanora Group taken as a whole;

(e) save as between Bacanora and wholly-owned subsidiaries of Bacanora, made or authorised or proposed

or announced an intention to propose any change in its loan capital, in each case to the extent to which is material in the context of the Wider Bacanora Group taken as a whole;

(f) save as between Bacanora and wholly-owned subsidiaries of Bacanora, save for transactions in the ordinary and usual course of business, issued, authorised or proposed the issue of any debentures, incurred or increased any indebtedness or become subject to any guarantee or actual or contingent liability;

(g) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;

(h) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;

(i) implemented, or authorised, proposed or announced its intention to implement, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or in respect of the Offer;

(j) sold or transferred or agreed to sell or transfer any Bacanora Shares held by Bacanora as treasury shares except for the issue or transfer out of treasury of Bacanora Shares on the exercise of employee share options;

(k) entered into, varied, authorised or proposed entry into or variation of the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, commitment, arrangement or service agreement with any director or senior executive of any member of the Wider Bacanora Group;

(l) except in the ordinary and usual course of business, entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could reasonably be expected to be materially restrictive on the businesses of any member of the Wider Bacanora Group;

(m) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or in relation to payments, a moratorium of any indebtedness, or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Bacanora Group taken as a whole or in the context of the Offer;

(n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Bacanora Group taken as a whole or in the context of the Offer;

(o) waived, compromised or settled any claim otherwise than in the ordinary course of business and, in any

case, which is material in the context of the Wider Bacanora Group as a whole or in the context of the Offer;

(p) except in relation to changes made or agreed as a result of being required as a result of changes to legislation, having made or agreed or consented to any material change to:

(i) the terms of the trust deeds, rules, policy or other governing documents constituting the pension schemes or other retirement or death benefit arrangement established by any member of the Wider Bacanora Group for its directors, former directors, employees, former employees or each of their respective dependents;

(ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

(iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or

(iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;

(q) carried out any act:

(i) which would or could reasonably be expected to lead to the commencement of the winding up of any pension plan;

(ii) which would or might create a material debt owed by an employer to any pension plan;

(iii) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any pension plans;

(iv) which would or might give rise indirectly or directly to a liability in respect of a pension plan; or

(v) to change the trustee or trustee directors or other fiduciary of the relevant pension plans;

(r) save as required in the context of the Offer, proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of person employed by the Wider Bacanora Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Bacanora Group;

(s) made any material alteration to its constitutional documents (other than an alteration required in connection with the Offer);

(t) except in the ordinary and usual course of business, terminated or varied the terms of any agreement or arrangement between any member of the Wider Bacanora Group and any other person in a manner which would or is reasonably likely to have a material adverse effect on the financial position of the Wider Bacanora Group taken as a whole; or

(u) otherwise than in the ordinary course of business, entered into any contract, commitment, arrangement or agreement, or passed any resolution or made any offer (which remains open for acceptance) with

respect to, or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

No adverse change, litigation, regulatory enquiry or similar

2.9 except as Disclosed, since 31 December 2020:

(a) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration in the business, assets, value, liabilities, financial or trading position, operational performance or profits or prospects of any member of the Wider Bacanora Group which is material in the context of the Wider Bacanora Group taken as a whole;

(b) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used or owned by the Wider Bacanora Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Bacanora Group or to which any member of the Wider Bacanora Group is or may become a party (whether as a claimant, defendant or otherwise) which is material in the context of the Wider Bacanora Group taken as a whole;

(c) no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Bacanora Group having been instituted, announced, implemented or threatened by or against or remaining outstanding against or in respect of any member of the Wider Bacanora Group, which, in each case might reasonably be expected to have an adverse effect on such member to an extent which is material, in the context of the Wider Bacanora Group taken as a whole or in the context of the Offer;

(d) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Bacanora Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would have a material and adverse effect on the Wider Bacanora Group taken as a whole; and

(e) no contingent or other liability having arisen, increased or become apparent to Bacanora (other than in the ordinary course of business) which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Bacanora Group; in each case to an extent which is material in the context of the Wider Bacanora Group taken as whole or in the context of the Offer;

No discovery of certain matters regarding information, liabilities and environmental issues

2.10 except as Disclosed, Ganfeng not having discovered:

(a) that any financial, business or other information concerning the Wider Bacanora Group as contained in the information disclosed at the time by or on behalf of any member of the Wider Bacanora Group publicly and delivered by or on behalf of Bacanora through a RIS or other public announcement prior to the date of this Announcement is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;

(b) that any member of the Wider Bacanora Group is subject to any liability (contingent or otherwise) and which is material and adverse in the context of the Wider Bacanora Group taken as a whole or in the

context of the Offer;

(c) any information which affects the import of any information disclosed at any time prior to this Announcement by or on behalf of any member of the Wider Bacanora Group and which is material in the context of the Wider Bacanora Group taken as a whole;

(d) any past or present member of the Wider Bacanora Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction or any notice, order or requirement of any Third Party, any authorisations and/or consents relating to the use, treatment, handling, storage, transport, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, carriage, disposal, discharge, spillage, release, leak or emission (whether or not giving rise to non-compliance with any law or regulation), which non-compliance would give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Bacanora Group; or

(e) there is, or is reasonably likely to be, any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Bacanora Group (or on its behalf), or in which any such member has or previously has had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, authorisation, consent, permission or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto;

Anti-bribery, anti-corruption, proceeds of crime and sanctions

2.11 except as Disclosed, Ganfeng not having discovered that:

(a) any past or present member, director, officer or employee, agent, consultant or designated representative of the Wider Bacanora Group or any person that performs or has performed services for or on behalf of the Wider Bacanora Group is or has at any time engaged in any or has paid or agreed to pay any bribe including any "inducement fee", given or agreed to give any similar gift or benefit or paid or agreed to pay to a concealed bank account or fund to or for the account of, any customer, supplier, governmental official or employee, representative of a political party, or other person for the purpose of obtaining or retaining business or otherwise engaged in any activity, practice, conduct or any such things (or omitted to do such things) in contravention of the Bribery Act 2010, as amended, or the US Foreign Corrupt Practices Act 1977, as amended or any other anti-corruption legislation applicable to the Wider Bacanora Group;

(b) any asset of any member of the Wider Bacanora Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);

(c) any past or present member, director, officer or employee, agent, consultant or designated representative of the Wider Bacanora Group has engaged in any activity or business with, or made any investments in, or made any payments, funds or assets available to, or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from

receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or (ii) any government, entity or individual named by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; or

(d) a member of the Wider Bacanora Group has engaged in any transaction which would cause the Wider Ganfeng Group to be in breach of any law or regulation upon its Offer of Bacanora, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

Part B: Certain further terms of the Offer

1. Ganfeng reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part A of this Appendix 1, except for Condition 1 (Acceptance Condition), which cannot be waived. The Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, to the further terms set out in this Appendix 1, and to the full terms and conditions which will be set out in the Offer Document and the Form of Acceptance.

2. The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Ganfeng to be or remain satisfied, by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Code and where applicable the consent of the Panel).

3. Ganfeng shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions 1 to 2 (inclusive) by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.

4. Under Rule 13.5(a) of the Code, Ganfeng may not invoke a Condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Ganfeng in the context of the Offer.

5. Ganfeng may only invoke a condition that is subject to Rule 13.5(a) with the consent of the Panel and any condition that is subject to Rule 13.5(a) may be waived by Ganfeng.

6. Condition 1 (Acceptance Condition) is not subject to Rule 13.5(a) of the Code. All other Conditions are subject to Rule 13.5(a) of the Code.

7. If Ganfeng is required by the Panel to make an offer or offers for Bacanora Shares under the provisions of Rule 9 of the Code, Ganfeng may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

8. Save as may otherwise be required by the Panel, the Offer will not proceed, will lapse or will be withdrawn if on the Long-Stop Date:

   (a) sufficient acceptances have not been received so as to enable Condition 1 (Acceptance Condition) to be satisfied; or

(b) where sufficient acceptances have been received so as to enable Condition 1 (Acceptance Condition) to be satisfied, one or more of the Conditions relating to an official authorisation or regulatory clearance has not been satisfied or waived and the Panel consents to the Offer not proceeding, lapsing or being withdrawn. As noted above, such consent will only be given if the Condition relating to such official authorisation or regulatory clearance is of material significance to Ganfeng in the context of the Offer.

9. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

10. If sufficient acceptances of the Offer are received, it would be the intention of Ganfeng to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Bacanora Shares to which the Offer relates.

11. The Offer, this Announcement and any rights or liabilities arising hereunder, the Reduction and Zinnwald Distribution and the Form of Acceptance will be governed by English law and be subject to the exclusive jurisdiction of the English courts and to the Conditions and terms set out in this Announcement and in due course in the Offer Document and the Form of Acceptance. The Offer will comply with the applicable rules and regulations of the FCA and the London Stock Exchange, the AIM Rules, the Panel and the Code.

12. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of, or are otherwise resident in, any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.

13. The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

14. Bacanora Shares which will be acquired pursuant to the Offer will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them at or after the Effective Date (other than the Zinnwald Distribution where such right will be retained by the Bacanora Shareholders as at the Record Date until the earlier of the Zinnwald Distribution being made and 11.59pm GMT on 31 December 2021 (or any later date to which the Long Stop Date is extended)), including (without limitation) voting rights and the right to receive and retain in full all dividends and other distributions (if any, other than the Zinnwald Distribution where such right will be retained by the Bacanora Shareholders as at the Record Date until the earlier of the Zinnwald Distribution being made and 11.59pm GMT on 31 December 2021 (or any later date to which the Long Stop Date is extended)) announced, declared, paid or made or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement and before or after the Effective Date.

15. If, on or after the date of this Announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Bacanora Shares other than the Zinnwald Distribution, Ganfeng reserves the right to reduce the Offer consideration for the Bacanora Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference in this Announcement or in the Offer Document to the Offer consideration for the Bacanora Shares will be deemed to be a reference to the Offer consideration as so reduced. To the extent that any such dividend and/or other distribution and/or other return of capital is announced, declared or paid and it is: (i) transferred pursuant to the Offer on a basis which entitles Ganfeng to receive the dividend or distribution

and to retain it; or (ii) cancelled, the Offer consideration will not be subject to change in accordance with this paragraph. Any exercise by Ganfeng of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer. For the further avoidance of doubt, any payments made in cash or by way of the delivery of Bacanora Shares on the vesting of awards calculated by reference to dividends accrued in respect of those underlying vested Bacanora Shares are not to be construed as a dividend, distribution or return of capital for these purposes.

APPENDIX 2
SOURCES OF FINANCIAL INFORMATION AND BASES OF CALCULATION USED IN THE ANNOUNCEMENT

1. The value attributed to the existing issued and to be issued share capital of Bacanora is based upon 384,144,901 Bacanora Shares in issue on the Last Practicable Date and 2,991,601 exercisable options.

2. The volume-weighted average prices of Bacanora Shares are derived from data provided by Bloomberg.

3. The Closing Price of a Bacanora Share is derived from the AIM Appendix to the Daily Official List.

4. The value attributed to the Zinnwald Distribution is based on Bacanora's holding of 90,619,170 Zinnwald Shares and a Closing Price of 25.75 derived from the AIM Appendix to the Daily Official List.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

The following Bacanora Directors have given irrevocable undertakings to accept the Offer (or where applicable, procure the acceptance of the Offer) and to vote (or, where applicable, procure voting) in favour of the Resolutions to be proposed at the Bacanora General Meeting in respect of their own beneficial holdings (or those Bacanora Shares over which they have control) of Bacanora Shares:

Name	Total Number of Bacanora Shares	Percentage of existing issued share capital
Mark Hohnen	3,012,547	0.78
Peter Secker	336,250	0.09
James Strauss	102,857	0.03
Eileen Carr	88,888	0.02
Total	3,540,542	0.92

These irrevocable undertakings cease to be binding if: (i) the Offer Document is not published within 28 days of the date of release of this Announcement (or within such longer period as Ganfeng, with the consent of the Panel, may determine); (ii) any competing offer for the issued and to be issued Bacanora Shares is made which is declared unconditional (if implemented by way of a takeover offer) or otherwise becomes effective (if implemented by way of a scheme of arrangement); or (iii) the Offer lapses or is withdrawn.

Letter of Intent

The following Bacanora Shareholder has, on the basis set out below, given a letter of intent to Ganfeng to accept or procure acceptance of the Offer (or, if the Offer is implemented by way of a scheme of arrangement to vote, or procure the vote, in favour of the scheme at the Court meeting and the resolutions at the general meeting).

Name of Shareholder	Number of Bacanora Shares in respect of which letter of intent is given	Percentage of existing issued share capital of Bacanora
M&G Recovery Fund	52,528,941	13.7%

APPENDIX 4
DEFINITIONS

The following definitions apply throughout the Announcement unless the context requires otherwise:

"2009 Option Scheme"	the Share Option Plan adopted in 2009
"2017 RSU Scheme"	the Restricted Share Unit Plan adopted in 2017
"Acceleration Statement"	a statement in which Bacanora, in accordance with Rule 31.5 of the Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived
"acting in concert"	has the meaning ascribed to it in the Code
"**AIM**"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
"**Announcement**"	this announcement made in accordance with Rule 2.7 of the Code of which the Appendices form part (including, where the context so admits, the summary section at the front of this announcement)
"Appendices"	the Appendices to this Announcement
"Bacanora" or the **"Company"**	Bacanora Lithium plc
"**Bacanora Board**"	the board of directors of Bacanora
"Bacanora General Meeting"	the meeting of Bacanora Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof
"**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 while the Offer remains open for acceptance or, subject to the provisions of the Code, by such earlier date as Ganfeng may determine
"**Bacanora Shareholders**"	the holders of Bacanora Shares
"**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
"Conditions"	the conditions to the Offer set out in Part A of Appendix 1 of this Announcement, and "**Condition"** means any one of them
"**Court**"	the High Court of Justice in England and Wales
"**Daily Official List**"	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
"Day 60"	the 60th day following the publication of the Offer Document or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Code;
"**Dealing Disclosure**"	has the same meaning as in Rule 8 of the Code
"Disclosed"	the information fairly disclosed by, or on behalf of Bacanora: (i) in its published annual report and accounts for the period ended 31 December 2020; (ii) in this Announcement; (iii) in any other public announcement made by Bacanora in accordance with the Market Abuse Regulation, the AIM Rules, and/or the Disclosure Guidance and Transparency Rules before the date of this Announcement; or (iv) as disclosed in writing before the date of this Announcement by or on behalf of Bacanora to Ganfeng (or its respective officers, employees, agents or advisers in their capacity as such)
"Disclosure Guidance and Transparency Rules"	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
"Effective"	the Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code
"Effective Date"	means: (i) the Unconditional Date; or (b) if Ganfeng elects to implement the Offer by way of a Scheme, the date on which the Scheme becomes effective in accordance with its terms

"FCA"	the Financial Conduct Authority or its successor from time to time
"Form of Acceptance"	the form of acceptance and authority relating to the Offer to be despatched with the Offer Document to Bacanora Shareholders holding Bacanora Shares in certificated form
"Ganfeng Board"	the board of directors of Ganfeng
"**Ganfeng Holdco**"	Ganfeng Lithium Co., Ltd, a company incorporated in Xinyu City, Jiangxi Province, China and listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
"Ganfeng"	Ganfeng International Trading (Shanghai) Limited
"**Incentive Schemes**"	each of: (i) the 2009 Option Scheme; (ii) the 2017 RSU scheme; (iii) the STIP; and (iv) the LTIP; and "**Incentive Scheme**" shall be construed accordingly
"Last Practicable Date"	24 August 2021 (being the last practicable date prior to the date of this Announcement)
"**London Stock Exchange**"	London Stock Exchange plc
"Long Stop Date"	11.59p.m. on 31 December 2021 or such other date (if any) as Ganfeng may, with the consent of Bacanora or with the consent of the Panel, specify
"LTIP"	the Bacanora Long Term Incentive Plan 2020
"Market Abuse Regulation"	the UK version of Regulation (EU) No 596/2014 which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018
"Offer"	the cash offer to be made by Ganfeng at the Offer Price to acquire all the Bacanora Shares not otherwise held by Ganfeng on the terms and subject to the conditions to be set out in the Offer Document and the Form of Acceptance, including where the context so allows, any subsequent revision, variation, extension or renewal of such offer;
"Offer Document"	the document to be sent to Bacanora Shareholders containing the terms and conditions of the Offer

"**Offer Period**"	the offer period (as defined by the Code) relating to Bacanora, which commenced on the date of the Possible Offer Announcement and will end on the earlier of the Effective Date or the date on which the Offer lapses or is withdrawn;
"Offer Price"	67.5p per Bacanora Share
"**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 under Rule 3 of the Code
"Reduction"	the proposed reduction of capital of Bacanora by way of cancellation of all of its share premium account, to be approved by Bacanora Shareholders and confirmed by the Court
"**Regulatory Information Service**" or "**RIS**"	a primary information provider which has been approved by the FCA to disseminate regulated information
"**Resolutions**"	the resolutions to be proposed by Bacanora at the Bacanora General Meeting in connection with the approval of the Reduction and the Zinnwald Distribution
"**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
"**Record Date**"	the record date for the purposes of the Zinnwald Distribution, being the Unconditional Date , or such other date as may be agreed with the London Stock Exchange plc
"Red Kite"	RK Mine Finance Bermuda 3 Limited
"Scheme"	should the Offer be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, such scheme of arrangement between Bacanora and the Bacanora Shareholders to implement the Offer with or subject to any modification, addition or condition approved or imposed by the Court
"**Significant Interest**"	in relation to an undertaking, a direct or indirect interest in twenty per cent. or more of (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the of the Companies Act) of such undertaking or (ii) the relevant partnership interest

"Sonora Lithium Project"	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
"STIP"	the Bacanora Short Term Incentive Plan 2020
"Teneo"	Teneo Restructuring Limited, regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business activities
"**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
"Unconditional Date"	Day 60, or such earlier date as Ganfeng may specify in the Offer Document or any Acceleration Statement unless, where permitted, it has set aside that statement;
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"US"	the United States of America
"**Wider Bacanora Group**"	Bacanora and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Bacanora and all such undertakings (aggregating their interests) have a Significant Interest
"**Wider Ganfeng Group**"	Ganfeng Holdco and its subsidiaries, subsidiary undertakings, associated undertakings and any other undertaking in which Ganfeng and/or such undertakings (aggregating their interests) have a Significant Interest
"**Zinnwald**"	Zinnwald Lithium plc
"**Zinnwald Distribution**"	the conditional distribution *in specie* of Zinnwald Shares to Bacanora Shareholders on the Record Date
"**Zinnwald Lithium Project**"	the project owned by Zinnwald Lithium plc to develop mining licences in southeast Germany with the aim of producing battery grade lithium fluoride
"**Zinnwald Shares**"	ordinary shares of 1 pence each in Zinnwald
"**£**" or "**pounds sterling**" or "**pence**"	the lawful currency of the United Kingdom

In this document, unless the contrary is otherwise indicated:

1.2 "**subsidiary**", "**subsidiary undertaking**" and "**undertaking**" have the meanings given by the Companies Act, "**associated undertaking**" has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(l)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose;

1.3 all times referred to are London, UK, time unless otherwise stated;

1.4 references to the singular include the plural and vice versa and words importing the masculine gender include the feminine or neutral;

1.5 all references to legislation are to English legislation; and

1.6 any reference to a provision of any legislation shall include any amendment, modification, re-enactment or extension.