Building 26
Lane 4088
Luoshan Road
Puodong
Shanghai
People's Republic of China

4 More London Riverside
London
SE1 2AU

This letter ( ) should be read in conjunction with the offer document to shareholders of Bacanora Lithium plc ( ) from Ganfeng International Trading (Shanghai) Limited ( ) dated 15 September 2021 ( ), a copy of which you should have either already received or is enclosed with this Letter. It can also be viewed on the Bacanora investor relations website page at . Words and expressions defined in the Offer Document have the same meaning in this Letter unless the context requires otherwise. Key terms used in this Letter and the enclosed Form of Instruction are explained in Appendix 1 to this Letter.

To: Holders of options ( ) under the Bacanora Share Option Plan ( ).

Dear Optionholder

On 25 August 2021 the Bacanora Independent Directors and the Ganfeng Board announced that they had reached agreement on the terms of a recommended cash offer for Bacanora by Ganfeng, pursuant to which Ganfeng would acquire the entire issued and to be issued ordinary share capital of Bacanora (other than the Bacanora Shares which Ganfeng already owns) ( ). For further details of the background to the Offer, please refer to Part I of the Offer Document.

This Letter explains the effect of the Offer on each option granted to you under the Plan ( ), the proposal being made to you by Ganfeng in relation to each Option ( ) and sets out the courses of action available to you. As you are aware, you have been granted more than one Option (together being the). In broad terms, the Proposal is that you exercise your Options to the fullest extent possible and accept the Offer in respect of any Bacanora Shares that you acquire on exercise. Further details of the Proposal are contained in paragraph 7 below.

The remainder of this Letter should help to explain what you need to know about the Offer, the effect of the Offer on your Options and the Proposal that is being made to you by Ganfeng in relation to your Options.

The purpose of the Offer is to enable Ganfeng to become the owner of the entire issued and to be issued share capital of Bacanora which it does not already own ( ). The Offer is conditional upon, amongst other matters, valid acceptances being received in respect of Bacanora Shares which constitute not less than 50 per cent. of the voting rights relating to Bacanora Shares including those Bacanora Shares already held by Ganfeng ( ).

If the Offer becomes unconditional in all respects, any Bacanora Shares in respect of which the Offer has been accepted will be acquired by Ganfeng.

You can find additional information regarding the Offer in the Offer Document.

Under the terms of the Offer Bacanora Shareholders will be entitled to receive 67.5 pence in cash for each Bacanora Share held. As described in more detail in the Offer Document, based on Bacanora's closing share price on 5 May 2021 of 45.0 pence per Bacanora Share, this Offer Price represents a premium of approximately 50 per cent. per Bacanora Share.

The Offer Price values the fully diluted issued and to be issued ordinary share capital of Bacanora at approximately £261.3 million.

In the event that the Offer becomes Effective, then subject to various additional conditions being met as described in the Offer Document, each holder of Bacanora Shares on the Unconditional Date will also receive the Zinnwald Distribution, being 0.23589 Zinnwald Shares for each Bacanora Share held (rounded down to the nearest whole number).

The Offer is conditional on the Acceptance Condition and various other conditions being satisfied by the closing date of the Offer. If the Offer does not become unconditional in all respects, the Acquisition will not go ahead. For further details on this, please refer to Section 1 of Part I in the Offer Document.

If the Acquisition does not go ahead no cash payments will be made by Ganfeng to Bacanora Shareholders, nor will the Zinnwald Distribution be made. The Proposal (as described in paragraph 7 below) in relation to your Options will not apply and your Options will continue unaffected.

Each of your Options, which may be vested or unvested, is an option to acquire a certain number of Bacanora Shares at a specified exercise price per Bacanora Share. Each Option is subject to the rules of the Plan and the terms set out in the award documentation provided to you when each Option was granted. The key details of your Option are set out in the enclosed Form of Instruction.

To the extent any Option is currently unvested, it will vest in full when the Offer becomes Effective.

Details of the number of Bacanora Shares in respect of which you may exercise each Option under the Plan if the Offer becomes Effective are set out in the enclosed Form of Instruction.

As part of the Offer, Ganfeng has agreed to make a Proposal to Optionholders. The Proposal is described in paragraph 7 below.

You are being offered the opportunity to exercise your Options to the fullest extent possible and accept the Offer in respect of all of the Bacanora Shares you acquire on the exercise of your Options using the Form of Instruction enclosed with this Letter.

There may be certain tax consequences on the exercise of your Options.

. As part of the Proposal, in the event that any income tax and employee's National Insurance contributions arise on the exercise of your Options, such income tax and employee's National Insurance contributions may be deducted from the proceeds due to you from the sale of the Bacanora Shares you acquire on the exercise of your Options.

The aggregate exercise price payable on the exercise of your Options will also be deducted from your sale proceeds so that you do not have to fund this amount from your own resources. This is referred to as a cashless exercise facility.

If you wish to exercise your Options to the fullest extent possible and accept the Offer in respect of the Bacanora Shares acquired on exercise of your Options and thereby sell each Bacanora Share you acquire to Ganfeng, you should complete, sign and submit the enclosed Form of Instruction and either;

(a) provide a legible and complete scan of the signed and dated Form of Instruction to Cherif Rifaat at Bacanora by email to the following address: Cherif.Rifaat@bacanoralithium.com to be received as soon as possible and in any event no later than 5:00pm on 23 October 2021; or

(b) return the original signed and dated Form of Instruction to Cherif Rifaat, Bacanora Lithium Plc, The Clubhouse, 8 St James's Square, London, SW1Y 4JU United Kingdom, to be received no later than 5:00 pm on 23 October 2021.

If you complete the Form of Instruction and return it, the exercise of your Options in respect of all of the Bacanora Shares over which it subsists will take effect immediately upon the Offer becoming unconditional in all respects.

As mentioned above, for each Bacanora Share sold pursuant to the Offer, you will receive (subject to the terms of the Offer) 67.5 pence in cash ( ). Payment of the cash Offer Proceeds will be made to you in cash through payroll (or through a separate means agreed between you and Bacanora in writing) within 14 days of the Offer becoming unconditional in all respects (following the deduction therefrom of the aggregate exercise price and any applicable income tax and employee's National Insurance contributions).

If any Option has already vested but is currently unexercised you can still exercise the Option in accordance with its terms before the Offer becomes unconditional. However, you will not be able to take advantage of the Proposal and the cashless exercise facility in this case. Alternatively, subject to the expiry date of such Option, you can complete a Form of Instruction and wait until the Offer becomes unconditional to take advantage of the Proposal.

In the event that the Offer becomes Effective, then subject to various additional conditions being met as described in the Offer Document, each holder of Bacanora Shares on the Record Date, as well as optionholders who have submitted a valid Form of Instruction exercising their option and accepting the Offer, will also receive the Zinnwald Distribution, being 0.23589 Zinnwald Shares for each Bacanora Share held (rounded down to the nearest whole number).

If you wish to exercise your Options, you are not obliged to accept the Offer if you do not wish to do so. If you do not accept the Offer you may instead seek to retain any Bacanora Shares that you acquire on the exercise of your Options or sell them on AIM (so long as the Bacanora Shares continue to be admitted to trading on AIM). However, if you do not accept the Offer you should note the following:

(a) if you attempt to sell your Bacanora Shares on AIM you may find that it is not possible to sell them at the Offer Price. In addition, you would ordinarily expect to incur dealing costs in respect of such a sale;

(b) you will be required to provide the necessary funds in respect of the exercise price and any applicable income tax and employee's National Insurance contributions that arise on the exercise of your Options;

(c) if sufficient acceptances are received and/or sufficient Bacanora Shares are otherwise acquired, Ganfeng intends to apply the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Bacanora Shares to which the Offer relates that have not been acquired, or agreed to be acquired, pursuant to the Offer or otherwise ( );

(d) if the Compulsory Acquisition Procedure is invoked, the Bacanora Shares that you acquire on the exercise of your Options will be acquired under the Compulsory Acquisition Procedure for a price per Bacanora Share equal to the Offer Price; and

(e) if Ganfeng has by virtue of its shareholdings, acceptances of the Offer and any other purchases acquired, or agreed to acquire, Bacanora Shares representing at least 75 per cent. of the voting rights attaching to all Bacanora Shares, Ganfeng intends to procure that Bacanora makes an application to the London Stock Exchange for the cancellation of the admission to trading on AIM of the Bacanora Shares and, if the Bacanora Shares are no longer traded on AIM, this will make it more difficult for you to sell the Bacanora Shares resulting from the exercise of any Option.

If you wish to exercise your Options but not accept the Offer, you should contact Bacanora for a separate notice of exercise as soon as possible.

If you exercise any Option after the Offer becomes Effective, you will not receive the Zinnwald Distribution or any cash equivalent amount.

If you choose to do nothing, your Options will remain exercisable until its expiry date, whether or not the Offer becomes unconditional, and will then lapse and become worthless. You will have no right to the Zinnwald Distribution.

Other than the Zinnwald Distribution if you exercise your Options before the Offer becomes Effective or you accept the Proposal, you will receive no dividends or dividend equivalent amounts in respect of your Options or the Bacanora Shares you acquire on exercise.

No, you will not need to make any upfront payments if you accept the Proposal. You would be liable for the aggregate exercise price payable in respect of the Bacanora Shares you acquire by exercising your Options and (if applicable) for any income tax and employee's National Insurance contribution arising on the exercise of the Option by reference to the value of the Bacanora Shares acquired pursuant to the exercise of your Options. However, if you accept the Proposal, both the aggregate exercise price and (if applicable) any income tax and employee's National Insurance contributions may be deducted from your Offer Proceeds, so that you will not need to fund these costs from your own resources.

No, under the rules of the Plan, you cannot transfer any Option.

No, the Proposal, and whether or not you accept it, will not affect your employment rights.

You must either be an employee, director or officer of the Wider Bacanora Group who is entitled to retain their Options under the rules of the Plan on the date on which the Offer becomes Effective to benefit from the Proposal in relation to your Options.

Before you decide what action you would like to take, you should consider your tax position. If you are in any doubt as to your tax position, you should seek your own independent professional tax advice immediately.

If you accept the Proposal, if applicable, any income tax and employee's National Insurance contributions that arise in relation to the exercise of your Options may be deducted from the Offer Proceeds due to you and paid to HM Revenue & Customs by your employer in the Bacanora Group.

If you wish to exercise your Options but not accept the Offer, please contact at Bacanora as soon as possible for a separate notice of exercise.

If you do not take any action, your Options will lapse in due course in accordance with the rules of the Plan.

No. Once submitted, the Form of Instruction is irrevocable.

Under the power of attorney included within the Form of Instruction, you authorise Bacanora and/or Ganfeng to take certain actions on your behalf including signing the documents that are required to put into place the arrangements described as part of the Proposal.

The Bacanora Independent Directors, who have been so advised by Peel Hunt as to the financial terms of the Proposal, taking into account the Zinnwald Distribution, consider the terms of the Proposal set out in this Letter to be fair and reasonable in the context of the Offer. In providing its advice to the Bacanora Independent Directors, Peel Hunt has taken into account the commercial assessments of the Bacanora Independent Directors. Accordingly, the Bacanora Independent Directors unanimously recommend that you should accept the Proposal set out in this letter.

If you have any queries in relation to this Letter or how to complete the enclosed Form of Instruction please contact at Bacanora either by email on Cherif.Rifaat@bacanoralithium.com or by telephone on +44 (0)207 345 6078 Please note that neither Bacanora nor your Bacanora Group employer will be able to provide you with any legal, financial, tax planning or investment advice or advice on the merits of any particular choice or on the Offer itself.

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Yours faithfully

Director
For and on behalf of Ganfeng

Chair
For and on behalf of Bacanora

1. The distribution of this Letter and Form of Instruction in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

2. The director of Ganfeng, whose name is set out in paragraph 2.3 of Appendix 3 to the Offer Document, and the Ganfeng Responsible Persons, whose names are set out in paragraph 2.4 of Appendix 3 to the Offer Document, accept responsibility for all of the information contained in this Letter and the Form of Instruction (including any expressions of opinion), other than information for which responsibility is taken pursuant to paragraph 3 below. To the best of the knowledge and belief of the director of Ganfeng and the Ganfeng Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. The Bacanora Directors, whose names are set out in paragraph 2.1 of the Offer Document, accept responsibility for the information contained in this letter and the Form of Instruction relating to the Wider Bacanora Group, the Bacanora Directors (including their respective immediate families, related trusts and connected persons) and persons deemed to be acting in concert with the Wider Bacanora Group, except in relation to the opinion and views (including the recommendation) of the Bacanora Independent Directors in respect of the Proposal, for which the Bacanora Independent Directors take responsibility pursuant to paragraph 4 below. To the best of the knowledge and belief of the Bacanora Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

4. The Bacanora Independent Directors, being the Bacanora directors except for Wang Xiaoshen as a director of Ganfeng, whose names are set out in paragraph 2.2 of Appendix 3 to the Offer Document, accept responsibility for the opinion and views of the Bacanora Independent Directors in respect of the Proposal (including their recommendation set out in paragraph 22 of the Letter). To the best of the knowledge and belief of the Bacanora Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

5. Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Bacanora and no one else in connection with the subject matter of this Letter and will not be responsible to anyone other than Bacanora for providing the protections afforded to clients of Peel Hunt or for providing advice in connection with the subject matter of this Letter.

6. Peel Hunt has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.

7. Accidental omission to dispatch this Letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the Proposal in the Letter is made or should be made, will not invalidate the Proposal in any way.

The below is a glossary of the key terms used in the Letter and Form of Instruction. For the full definitions of certain of these terms, please refer to the Offer Document or the rules of the Plan (as appropriate).

	a statement in which Ganfeng, 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;
	the proposed acquisition by Ganfeng of the entire issued and to be issued share capital of Bacanora (other than the Bacanora Shares held by Ganfeng) on the terms and subject to the conditions set out in the Offer Document;
	the ordinary shares of ten pence each in the capital of Bacanora;
	the 60th day following publication of the Offer Document (being 14 November 2021) or such other date as may otherwise be set as being such day in the timetable of the Offer in accordance with the Code;
	the form, enclosed with this Letter, whereby you can indicate your acceptance of the Proposal;
	the recommended cash offer made by Ganfeng for the entire issued and to be issued share capital of Bacanora;
	the document setting out the terms and conditions of the Offer which was dispatched to Bacanora Shareholders on 15 September 2021;
	an option to acquire Bacanora Shares under the Plan;
	the Proposal that is being made to you by Ganfeng in relation to your Options as set out in this Letter;
	Day 60, or such earlier date as Ganfeng may specify in any Acceleration Statement unless, where permitted, it has set aside that statement; and
	the record date for the purpose of the Zinnwald Distribution, being the Unconditional Date.