

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document and/or the action you should take, you should immediately obtain your own advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or, if not, another appropriately authorised professional adviser.

If you have sold or otherwise transferred (or will sell or transfer) all of your shares in Bacanora Lithium plc (the "**Company**") prior to the Company's Annual General Meeting ("**AGM**"), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

BACANORA LITHIUM PLC

(Incorporated and registered in England and Wales with Registered No: 11189628)

Notice of Annual General Meeting

and

Letter from the Chairman

Notice of Annual General Meeting of the Company, to be held at The Clubhouse, 8 St James's Square, London, SW1Y 4JU on 30 June 2021 at 2.00 p.m. is set out on pages 6 to 7 of this document.

The formal business of the AGM will only be to consider and vote upon the resolutions set out in the notice of meeting. The resolutions proposed at this AGM relate solely to matters in the ordinary course of business and are of a similar nature to those proposed at previous AGMs. **The formal business of the AGM will not deal with any matters pertaining to the possible offer for the Company by Ganfeng International Trading (Shanghai) Limited announced on 6 May 2021.**

On conclusion of the formal business of the AGM, the Directors and advisers will conduct a question-and-answer session on any other matters that shareholders wish to raise. Shareholders are requested to submit any questions by e-mail to info@bacanoralithium.com by no later than 2.00pm on 28 June 2021. Shareholders will be able to listen to the AGM via webcast. An announcement providing dial-details for the webcast will be issued in due course and will be available on our website.

The Board has continued to monitor closely the COVID-19 pandemic and its preference is to welcome shareholders to this year's AGM, especially given that shareholders were prevented from attending last year. The holding of the meeting will be kept under review in line with Public Health England guidance, and based on the Government's roadmap for relaxing restrictions on 21 June 2021, it is hoped that there will be no formal restrictions on attendance by shareholders other than any imposed by the venue owners. We would therefore request that any shareholders planning to attend to inform the Company at info@bacanoralithium.com by close of business on 28 June 2021, so that attendee numbers can be assessed. We would also strongly encourage shareholders to submit a proxy vote in advance of the AGM. Any changes to the arrangements for the AGM set out above will be communicated to shareholders before the AGM through the Company's website at www.bacanoralithium.com/investor-relations/agm-documents/ and, where appropriate, by a regulatory information service announcement.

A form of proxy for use in connection with the AGM is enclosed and, to be valid, must be completed, signed and returned, in accordance with the instructions thereon, to the Company's registrars at Link Group, 10th Floor, Central Square, 29 Wellington Street, LS1 4DL as soon as possible and, in any event, by no later than 2.00 p.m. on 28 June 2021. Completion and return of a form of proxy will not preclude shareholders from attending and voting at the AGM in person should they so wish and should the relaxation of COVID-19 restrictions allow. If you do not complete and return a valid form of proxy, no-one else may vote on your behalf. For full details of the procedure for appointing a proxy, please see the notes to the Notice of AGM and the form of proxy.

LETTER FROM THE CHAIRMAN OF BACANORA LITHIUM PLC

BACANORA LITHIUM PLC

(Incorporated and registered in England and Wales with registered number 11189628)

Directors

Mark Hohnen (Executive Chairman)
Peter Secker (CEO & Director)
Jamie Strauss (Non-executive Director)
Eileen Carr (Non-executive Director)
Junichi Tomono (Non-executive Director)
Andres Antonius (Non-executive Director)
Wang Xiaoshen (Non-executive Director)
Graeme Purdy (Non-executive Director)

Registered Office

4 More London Riverside,
London, SE1 2AU

3 June 2021

To holders of ordinary shares of £0.10 each in the capital of the Company and, for information purposes only, to the holders of options, warrants and restricted stock units.

Dear Shareholder,

Annual General Meeting of Bacanora Lithium plc (the "Company")

1. Introduction

I am pleased to be writing to you with details of our Annual General Meeting ("**AGM**") which we are holding at The Clubhouse, 8 St James's Square, London, SW1Y 4JU on 30 June 2021 at 2.00 p.m. The formal notice of the AGM is set out on pages 6 to 7 of this document ("**Notice of AGM**").

The purpose of this letter is to provide shareholders of the Company with details of the background to, and reasons for, the resolutions to be proposed at the AGM (the "**Resolutions**"), to explain why the Directors believe that the passing of the Resolutions is in the best interests of the Company and the shareholders of the Company as a whole and to recommend that shareholders of the Company vote in favour of the Resolutions.

The formal business of the AGM will only be to consider and vote upon the resolutions set out in the notice of meeting. The resolutions proposed at this AGM relate solely to matters in the ordinary course of business and are of a similar nature to those proposed at previous AGMs. **The formal business of the AGM will not deal with any matters pertaining to the possible offer for the Company by Ganfeng International Trading (Shanghai) Limited announced on 6 May 2021.**

On conclusion of the formal business of the AGM, the Directors and advisers will conduct a question-and-answer session on any other matters that shareholders wish to raise. Shareholders are requested to submit any questions by e-mail to info@bacanoralithium.com by no later than 2.00pm on 28 June 2021. Shareholders will be able to listen to the AGM via webcast. An announcement providing dial-details for the webcast will be issued in due course and will be available on our website.

The holding of the meeting will be kept under review in line with Public Health England guidance, but based on the Government's current roadmap for relaxing restrictions on 21 June 2021, it is hoped that there will be no restrictions on attendance by shareholders, other than any imposed by the venue owners.

If you would like to vote on the Resolutions but cannot attend the AGM, please complete the form of proxy enclosed with this document and return it as soon as possible in the prepaid envelope provided to the Company's registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, LS1 4DL and in any event by 2.00 p.m. on 28 June 2021. Completion and return of a form of proxy will not preclude shareholders from attending and voting at the AGM in person should they so wish and should the relaxation of COVID-19 restrictions allow. If you do not complete and return a valid form of proxy or attend the AGM in person to vote, no-one else may vote on your behalf.

If you are planning to attend the AGM, I would be grateful if you could confirm this to the Company Secretary by 6.00 p.m. on 28 June 2021 by e-mail to info@bacanoralithium.com. Failure to confirm your proposed attendance will not preclude you from attending but it assists the Company in arranging appropriate facilities on the day of the AGM.

2. Business to be transacted at the AGM

Details of the Resolutions which are to be proposed at the AGM are set out below. Resolutions 1 to 8 are to be proposed as ordinary resolutions and resolution 9 is to be proposed as special resolutions.

Ordinary Resolution 1: Annual Report and Financial Statements

In accordance with the requirements of section 437 of the Companies Act 2006, the Company will lay before the AGM the Annual Report and Financial Statements of the Company in respect of the year ended 31 December 2020

Ordinary Resolution 2: Annual Directors Remuneration Report

Shareholders will be asked to receive and approve the Report of the Remuneration Committee of the Board, as set out on pages 60 to 67 of the Annual Report for the year ended 31 December 2020. The vote is advisory only (that is, the contents of the report will not change as a result of the vote).

Ordinary Resolution 3: New Share Incentive Schemes

Shareholders will be asked to approve the terms of the new share incentive schemes, the terms of which are detailed on pages 64 to 66 of the Annual Report for the year ended 31 December 2020. In 2020, the Company commissioned the independent remuneration consultants, Pearl Meyer, to undertake a comprehensive review of Bacanora's remuneration policies and structure. These new share incentive schemes were developed in conjunction with Pearl Meyer and are based on current best practices and the Directors believe they align with up to date recommendations from the proxy companies ISS and Glass Lewis.

Ordinary Resolutions 4 and 5: Re-appointment of auditors and authority to determine their remuneration

Shareholders will be asked to confirm the re-appointment of BDO as the Company's auditors to hold office until the conclusion of next year's AGM and to grant authority to the Directors to determine the auditors' remuneration.

Ordinary Resolutions 6 to 7: Re-election of Directors

Jamie Strauss and Andres Antonius are retiring by rotation in accordance with Article 88.1 of the Articles of Association of the Company ("**Articles**") and, being eligible to do so, are offering themselves for re-election.

Ordinary Resolution 8: Grant of authority to the Directors to allot Ordinary Shares

It is proposed to authorise the Directors to allot Ordinary Shares up to a maximum nominal value of £12,804,830 (representing 128,048,300 Ordinary Shares), which is approximately equal to one third of the Company's issued share capital as at 2 June 2021 (being the last practicable date prior to the publication of this document). This authority replaces the authority approved by shareholders at the Company's last AGM and if passed, will expire on the date falling eighteen calendar months from the date of the resolution being passed, or (if earlier) at the conclusion of next year's AGM.

Special Resolution 9: Disapplication of statutory pre-emption rights on allotment of shares

If the Directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company may hold in treasury following a purchase of its own shares, the Companies Act 2006 requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holdings.

The authority is sought to grant the Directors power to allot equity securities or sell treasury shares for cash up to a maximum aggregate nominal value of £7,682,898 (representing 76,828,980 Ordinary Shares and which would constitute approximately twenty per cent. of the issued share capital of the Company as at 2 June 2021 (being the last practicable date prior to the publication of this document)) without first offering the securities to existing shareholders in proportion to their existing holdings. The total number of Ordinary Shares in issue as at 2 June 2021 was 384,144,901 and the Company did not hold any treasury shares. The proposed resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, open offer or other pre-emptive offer to allow the Directors to make appropriate exclusions and other arrangements in relation to fractional entitlements and to deal with other legal or practical problems, which, for example, might arise in relation to overseas shareholders.

The Directors have no immediate plans to make use of this authority. This authority replaces the authority approved by shareholders at the Company's last AGM and if passed, will expire on the date falling eighteen calendar months from the date of the resolution being passed, or (if earlier) at the conclusion of next year's AGM.

Action to be taken

You are entitled to appoint one or more proxies to attend and vote at the AGM on your behalf. You will find enclosed with this document a form of proxy for use in connection with the AGM. Whether or not you propose to attend the AGM in person, you are requested to complete and return the form of proxy to the Company's registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, LS1 4DL by no later than 2.00pm on 28 June 2021 and return of a form of proxy will not stop you from attending the AGM and voting in person should you so wish and should this be permitted by COVID regulations at the time of the meeting.

3. Recommendation

The Directors consider that all of the Resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of all of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully

Mark Hohnen
Chairman

BACANORA LITHIUM PLC

(Incorporated and registered in England and Wales with registered number 11189628)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the "**AGM**") of Bacanora Lithium plc (the "**Company**") will be held at The Clubhouse, 8 St James's Square, London, SW1Y 4JU on 30 June 2021 at 2.00 p.m. for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 8 of which will be proposed as ordinary resolutions and number 9 as a special resolution:

Ordinary Resolutions

1. That the Company's Annual Report and Financial Statements for the twelve months ended 31 December 2020, together with the Directors' report and the auditors' report on those Financial Statements, be received.
2. That the Report of the Remuneration Committee of the Board for the year ended 31 December 2020 be received and approved.
3. That the new Share Incentive Schemes, the terms of which are detailed on pages 64 to 66 of the Annual Report for the year ended 31 December 2020, be approved and adopted by the Company.
4. That BDO be re-appointed as auditors to the Company until the conclusion of the next annual general meeting at which the financial statements are laid before the Company.
5. That the Directors be authorised to agree and fix the auditors' remuneration.
6. That Jamie Strauss who retires by rotation pursuant to Article 88.1 of the articles of association of the Company (the "**Articles**"), be re-elected as a Director pursuant to the Articles.
7. That Andres Antonius who retires by rotation pursuant to Article 88.1 of the Articles, be re-elected as a Director pursuant to the Articles.
8. That, in accordance with section 551 of the Companies Act 2006 (and so that expressions used in this resolution shall, unless the context requires otherwise, bear the same meanings as in the said section 551), the Directors of the Company be generally and unconditionally authorised to allot Relevant Securities (as defined in the Notes to this resolution) up to a maximum aggregate nominal amount of £12,804,830, to such persons and at such times and on such terms as they think proper, provided that this authority shall, unless, renewed, varied or revoked by the Company in a general meeting, expire on the date falling eighteen calendar months from the date of the resolution being passed, or (if earlier) the end of the next annual general meeting of the Company to be held after the date on which this resolution is passed, save that the Company be and is hereby authorised, before such expiry, to make any offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the Directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution 8. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Companies Act 2006 but without prejudice to any allotment of Relevant Securities in the Company already made or agreed to be made pursuant to such authorities.

Special Resolution

9. That, subject to the passing of resolution 8 and in accordance with section 570 of the Companies Act 2006, the Directors of the Company be and are given the general power to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, either pursuant to the authority conferred by resolution 8 above or by way of a sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
 - (b) the allotment (otherwise than pursuant to paragraph (a) of this resolution 9) of equity securities up to an aggregate nominal amount of £7,682,898.

The power granted by this resolution 9 shall, unless renewed, varied or revoked by the Company in a general meeting, expire at the end of the next annual general meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution 9 has expired. This resolution 9 revokes and replaces all unexercised powers previously granted to the Directors of the Company to allot equity securities as if section 561(1) of the Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Dated: 3 June 2021

By order of the Board:

Cherif Rifaat
Company Secretary

Registered Office
4 More London Riverside
London
SE1 2AU

Notes to the Notice of the AGM

Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members at:

- (a) close of business on 28 June 2021; or
- (b) if this meeting is adjourned, at Close of Business on the day two days prior to the adjourned meeting,

shall be entitled to vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

- 2. If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy enclosed with the Notice.
- 3. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
- 4. Shareholders can appoint a proxy and give proxy instructions by returning the enclosed Form of Proxy by post (see note 7) or, if a CREST member, by using the CREST electric proxy appointment service (see note 11). If you require additional proxy forms you should contact Link Group, 10th Floor, Central Square, 29 Wellington Street, LS1 4DL Tel: 0871 664 0300.
- 5. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.
- 6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting (including, without limitation, any resolution to adjourn the meeting or any resolution to amend a resolution proposed at the meeting).

Appointment of proxy by post or email

7. The notes to the Form of Proxy explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be:

- (a) completed and signed;
- (b) sent or delivered by post or by hand to Link Asset Services at the address below; and

- (c) received by Link Asset Services no later than 2.00 p.m. on 28 June 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) prior to the adjourned meeting).
8. In the case of a shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
 9. Any power of attorney, letter of representation or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power of attorney, letter of representation or authority) must be included with the Form of Proxy in order for the proxy appointment to be valid.
 10. If you have not received a Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact Link Group, 10th Floor, Central Square, 29 Wellington Street, LS1 4DL Tel: 0871 664 0300

Appointment of proxies electronically through CREST

11. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual on the Euroclear website at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (Crest ID RA10 by no later than 2.00 p.m. on 28 June 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections.

Appointment of proxy by joint members

14. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

15. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded.
16. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services (for details of which, see note 7).
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

18. A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services.
19. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
20. In either case, the revocation notice must be received no later than 2.00 p.m. on 28 June 2021 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) prior to the adjourned meeting).
21. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

Corporate representatives

22. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

23. As at 2 June 2021 (being the latest practicable date prior to publication of this Notice), the Company's issued share capital comprised 384,144,901 ordinary shares of £0.10 each, carrying one vote each. Therefore, the total number of voting rights in the Company as at 2 June 2021 (being the latest practicable date prior to publication of this Notice) is 384,144,901.

Questions at the meeting

24. Any member attending the meeting has the right to ask questions. Questions may not be answered at the meeting if answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Communication

25. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- (a) email to info@bacanoralithium.com; or
- (b) a letter addressed to the Company's registered office.

26. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

Relevant Securities means shares in the Company other than shares allotted pursuant to:

- an employee share scheme (as defined by section 1166 of the Companies Act 2006);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security,

and any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Companies Act 2006). References to the allotment of Relevant Securities in the relevant resolution include the grant of such rights.

