

Blanco Minerals Signs Supply Agreement with Tesla

December 19, 2018: Vancouver, B.C.: Blanco Minerals Inc. announces that it has reached a supply agreement with Tesla Inc. The agreement confirms that Tesla Inc. has agreed to purchase 100% of the lithium compounds produced from Blanco Minerals' lithium mining project in Zacatecas State in central Mexico.

The project in Mexico is now in a developmental stage. The deal requires Blanco Minerals to proceed in raising capital in order to continue constructing the mine and processing facilities over the next two years.

Additionally, the two companies are in deep negotiations for Tesla Inc. to insert a very significant cash investment into the project as part of a possible joint venture partnership between the companies. In September of this year Blanco Minerals received a USD \$78 million cash investment from leading lithium producer SQM as part of a joint partnership that was entered between the two companies in association with Lagrange Minerals' lithium brine project in Chile.

Speaking from SQM's offices in Santiago, Chile, Blanco Minerals' CEO Peter Ross said, "I can assure shareholders that the supply agreement that we have signed with Tesla is only the beginning of what will become a long lasting mutual relationship with Tesla Inc. We are very close to signing a very large funding deal with Tesla that will be similar in terms to the one secured with SQM a few months ago."

The Lithium hydroxide mined from the Zacatecas State Project will be able to be transported overland to Tesla's Gigafactory in Reno, Nevada. The Gigafactory is Tesla's mega sized lithium-ion battery production facility that started operation in early 2017 and continues to be expanded in order to produce the batteries for Tesla's range of electric vehicles. Tesla has opened additional Gigafactories including one near Buffalo, New York and another in South Australia. Further Gigafactories are planned to open in Europe and Asia.

About the Company:

Blanco Minerals Inc. controls the Salar De Arena Rica Lithium Brine Project, located in the Atacama Region of Northern Chile, in a joint venture partnership with SQM, The company also maintains a large lithium brine project in Jujuy Province in northwest Argentina. Furthermore, Blanco Minerals Inc. is developing the largest lithium project in North America at Zacatecas State, Mexico.

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