

20 September 2017

Bacanora Minerals Ltd
(‘Bacanora’ or the ‘Company’)
Restricted Share Plan and Director Dealings

Bacanora, the London and Canadian listed (AIM: BCN, TSXV: BCN) lithium exploration and development company, announces the implementation of a restricted share unit plan (the ‘RSU Plan’) along with the grant of an aggregate of 1,192,277 restricted share units thereunder (each, an ‘RSU’) and the grant of an aggregate of 2,227,410 options to acquire common shares in the capital of Bacanora at a price of £0.80 (approximately C\$1.32) pursuant to the Stock Option Plan of the Company.

RSU Plan

In order to further align the interests of the Company’s senior executives, key employees, consultants and directors with those of the shareholders of the Company, the Board of Directors has approved the implementation of the RSU Plan, subject to receipt of final approval by the TSX Venture Exchange and ratification by the Company’s shareholders at the next annual meeting thereof. The TSX Venture Exchange has granted conditional acceptance of the RSU Plan, subject to confirmation of shareholder ratification. Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted. Upon vesting, eligible participants shall be entitled to a cash payment equal to the number of RSUs granted, multiplied by the fair market value of the Company’s common shares on the redemption date. The Company shall also have the option (at the discretion of the Board) to settle amounts owing to eligible persons via the issuance of common shares of the Company.

The maximum number of RSUs issuable under the RSU Plan is fixed at 13,190,653 (being 10% of the issued and outstanding common shares as of today’s date), provided however that at no time may the number of RSUs issuable under the RSU Plan, together with the number of common shares issuable under options that are outstanding under the Company’s Stock Option Plan, exceed 10% of the issued and outstanding common shares as at the date of a grant under the RSU Plan or the Stock Option Plan, as the case may be.

Further details regarding the RSU Plan and all awards made thereunder will be set out in the management information circular and proxy statement of the Company that will be delivered to shareholders in respect of the Company’s next annual meeting of shareholders. A copy of the RSU Plan will also be available under the Company’s corporate profile at www.sedar.com.

RSU Grants

The Company has granted an aggregate of 1,192,277 RSUs to the Chairman of the Board and to the Chief Executive Officer of the Company, each based on a common share value of £0.80 (approximately C\$1.32), with vesting occurring on the date that is three (3) years from the date of grant, being September 19, 2020. All of the RSUs (and any common shares issuable upon redemption) will be subject to applicable securities law hold periods.

Option Grants

All of the aforementioned 2,227,410 stock options have been granted to directors, officers and senior management members of the Company and its subsidiaries. Such options vest as to 1/3 on the date of grant and an additional 1/3 on each of the first and second anniversaries of the date of grant and are exercisable for a period of three (3) years. All of the options granted today (and the common shares issuable upon exercise) will be subject to applicable securities law hold periods.

Summary of Director Dealings

The following is a summary of stock options and RSUs granted to directors, both pre- and post-grant:

| Individual | Number of shares | Number of | Number of RSUs | Number of |
|------------|------------------|-----------|----------------|-----------|
|------------|------------------|-----------|----------------|-----------|

| | held prior to announcement | options held prior to announcement | granted at announcement | options granted at announcement |
|--------------------|----------------------------|------------------------------------|-------------------------|---------------------------------|
| Mark Hohnen | 1,514,951 | 3,249,900* | 557,843 | 224,910 |
| Jamie Strauss | 102,857 | 750,000 | - | 750,000 |
| Andres Antonius | - | 500,000 | - | 750,000 |
| Raymond Hodgkinson | 763,550 | 200,000 | - | 100,000 |

*1,000,000 of these options are held by a private company that is controlled by Mr. Hohnen.

For further information, please contact:

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|-------------------------------------------------|-------------------------------|--------------------------------------------------------------------------|
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ABOUT BACANORA:

Bacanora is a Canadian and London listed lithium exploration and development company (TSX-V: BCN and AIM: BCN). The Company is exploring for, and developing a pipeline of international lithium projects, with a primary focus on the Sonora Lithium Project. The Company's operations are based in Hermosillo in northern Mexico. The Company is led by a team with lithium expertise and proven mine development, construction and operations experience.

The Sonora Lithium Project, which consists of ten mining concession areas covering approximately 100 thousand hectares in the northeast of Sonora State. The Company, through drilling and exploration work to date, has established an Indicated Mineral Resource (in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ('NI 43-101')) of 4.5 million tonnes (LCE¹) and 2.7 million tonnes Inferred². A Pre-Feasibility Study completed in Q1 2016³ demonstrated the economics associated with becoming a 35,000 tpa lithium carbonate and 50,000 tpa SOP producer in Mexico.

In addition to the Sonora Lithium Project, the Company also has a 50% interest in the Zinnwald Lithium Project in southern Saxony, Germany. The Zinnwald Lithium Project is located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium at different times over the past 300 years. The strategic location of the Zinnwald Lithium Project allows immediate access to the German automotive and downstream lithium chemical industries.

1 LCE = lithium carbonate (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li₂CO₃ value in percent. Use of LCE is to provide data comparable with industry reports and assumes complete conversion of lithium in clays with no recovery or process losses.

2 See *Amended Mineral Resource Estimate for the Sonora Lithium Project, Mexico, April 2016*. The lead author of the amended report is Mr. Martin Pittuck (MSc., C.Eng., FGS, MIMMM) of SRK Consulting (UK) Limited ('SRK'). A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

3 See *Technical Report on the Pre-Feasibility Study for the Sonora Lithium Project, Mexico, 15 April 2016*. The authors of the PFS are Ausenco Limited, SRK and Independent Mining Consultants Inc. A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

FORWARD LOOKING STATEMENTS:

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to obtaining required approvals in respect of the RSU Plan and the potential future redemption of RSUs. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results

to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: commodity price volatility; general economic conditions in Canada, the United States, Mexico and globally; industry conditions, governmental regulation, including environmental regulation; unanticipated operating events or performance; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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