

Bacanora Minerals Ltd
('Bacanora' or the 'Company')

10 January 2018

New Exploration licence expands Zinnwald Potential

Highlights

- **Licence covers previously mined Falkenhain Lithium deposit close to Company's Zinnwald project in Germany**
- **Potential to increase life time of mine at Zinnwald**
- **Falkenhain and Zinnwald complement flagship Sonora lithium project in Mexico which was assigned a US\$1.25billion NPV in Feasibility Study ('FS')**

Bacanora, the London and Canadian listed (AIM: BCN, TSXV: BCN) lithium company, is pleased to announce that its subsidiary, Deutsche Lithium GmbH, ('Deutsche Lithium'), which is 50% owned by Bacanora, has been granted an exploration licence ('the Licence') covering 295 hectares of the previously mined Falkenhain Lithium deposit ('Falkenhain') in southern Saxony, Germany. Falkenhain, which is located within 5km of Bacanora's 50% owned Zinnwald Lithium Project ('Zinnwald'), has the potential to increase the life time of a mine at Zinnwald.

The Company is also pleased to announce that it has published a new corporate presentation and corporate video on its website following the recent publication of a Feasibility Study which estimates a Net Present Value of US\$1.25 billion and Internal Rate of Return of 26% for the Sonora Lithium Project in Mexico. The corporate presentation is available on the Company's website at www.bacanoraminerals.com.

As with Zinnwald, Falkenhain lies in a geological setting of granite hosted Sn/W/Li belts that have been explored and mined historically for tin, tungsten and lithium. Historical exploration data indicates additional resources at Falkenhain hosted in several ore bodies containing lithium, tin metal and tungsten. As a Qualified Person (under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ('NI 43-101')) has not done sufficient work to confirm the historical estimate, Bacanora is not treating the historical estimate as current Mineral Resources or Mineral Reserves. However, the Company believes that the historical work at Falkenhain and the geological context of the deposit support the case for investing in the Licence and conducting further work to investigate the deposit and its potential for economic extraction.

Deutsche Lithium plans to explore the deposit over the next five years and to combine its exploration and development with Zinnwald. A 5 year Exploration Licence was issued to Deutsche Lithium by the Saxony State Mining Authority (Sächsisches Oberbergamt) in accordance with §7 of the German Mining Act (Bundesberggesetz).

Zinnwald - Lithium-Project Update

As part of the ongoing development of Zinnwald, a Feasibility Study is underway to develop a strategy to demonstrate the economic viability of producing higher value lithium products for the European battery and automotive sectors. The following work has been completed or is ongoing:

- Resource infill drilling programme comprising 15 infill drill holes and 4,458 metres to upgrade the existing resource model in accordance with NI 43-101 completed earlier than expected on 27 December 2017
 - Chemical analysis of the drill cores will be completed in Q1 2018 and the results will be incorporated into a 3D-model of the Zinnwald deposit
- Collection of a 100 tonnes bulk ore sample from the underground mine at Zinnwald to provide samples for metallurgical testwork

- Material has been crushed and sent to metallurgical laboratories in Germany
- Grinding, magnetic separation and concentration testwork programmes will be completed in January and final grinding will be carried out in Q1 2018
- Chemical processing (roasting, leaching, precipitation) will now be carried out to develop the final flowsheet to produce downstream lithium compounds, focusing on the production of higher value lithium battery chemical products

Bacanora currently has a 50% interest in, and joint operational control, of Zinnwald, with an option to acquire the remaining 50% of the Project.

The Falkenhain and Zinnwald lithium projects complement Bacanora's flagship Sonora Lithium Project ('Sonora') in Mexico, which is one of the world's larger and scalable lithium deposits. A favourable Feasibility Study, which estimated a NPV8 of US\$1.253 billion and IRR of 26% for Sonora, was completed in December 2017. The FS, which is focused on an initial operation capable of delivering 17,500 tonnes per year of high quality battery-grade Li_2CO_3 , followed by an expansion to 35,000 tonnes Li_2CO_3 per year, confirms that Sonora occupies a position on the industry cost curve similar to the low cost brine deposits in South America (see announcement of 13 December 2017). The Company is aiming to commence the construction phase at Sonora in H1 2018 with first production targeted for 2019/2020.

Bacanora CEO Peter Secker said, "The issue of the exploration licence is a key milestone for Bacanora's activities in Germany. Falkenhain will supplement our two significant lithium assets at Zinnwald and Sonora, each of which have the potential to become major suppliers of high value products to fast growing end markets, such as electric vehicles and energy storage, in the strategically important European and Asian lithium markets. With an NPV8 of US\$1.25 billion and an IRR of 26%, the recent FS for Sonora in Mexico demonstrates the company-making potential of our most advanced project. We are focused on building a portfolio of world class projects, and with this in mind I look forward to providing further updates on the ongoing FS at Zinnwald."

****ENDS****

For further information please visit www.bacanoraminerals.com or contact:

Bacanora Minerals Ltd.	Peter Secker, CEO	info@bacanoraminerals.com
Cairn Financial Advisers LLP, Nomad	Sandy Jamieson/Liam Murray	+44 (0) 20 7213 0880
Canaccord Genuity, Broker	Martin Davison, James Asensio	+44 (0) 20 7523 8000
St Brides Partners, Financial PR Adviser	Frank Buhagiar / Megan Dennison	+44 (0) 20 7236 1177

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 Project², 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 a Measured plus Indicated Mineral Resource estimate of over 5 Mt (comprising 1.9Mt of Measured Resources and 3.1Mt of Indicated Resources) of LCE¹ and an additional Inferred Mineral Resource of 3.7 Mt of LCE. The Company's Feasibility Study (which was announced 12 December 2017) has established Proven Mineral Reserves (in accordance with NI 43-101) of 1.67 MT and Probable Mineral Reserves of 2.85 Mt LCE and confirmed 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 and the Falkenhain Licence in southern Saxony, Germany. Each of the Zinnwald Lithium Project and the Falkenhain Licence are 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 and the Falkenhain Licence provides close geographical proximity to the German automotive and downstream lithium chemical industries.

¹ LCE = lithium carbonate (Li_2CO_3) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li_2CO_3 value in per cent. 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. The Sonora Lithium Project is comprised of the following lithium properties: La Ventana lithium concession, which is 100 percent owned by Bacanora and El Sauz and Fleur concessions, which are held by Mexilit S.A. de C.V. ('Mexilit') which is owned 70 percent by Bacanora and 30 percent by Cadence Minerals Plc.

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 the potential increase in resources and life of mine at the Zinnwald Project, Deutsche Lithium's plans to explore the Falkenhain deposit over the next five years, ongoing activities associated with the completion of a Feasibility Study on the Zinnwald Project, and the Company's expectation re commencement of the construction phase on the Sonora Lithium Project in H1 2018. 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.

This information is provided by RNS
The company news service from the London Stock Exchange

END

DRLBLMMTMBTMTBP