

25 January 2018

**Bacanora Minerals Ltd ('Bacanora' or the 'Company')**  
**Filing of NI-43-101 Feasibility Study For the Sonora Lithium Project**

Bacanora Minerals Ltd. (TSX-V: BCN and AIM: BCN) the Canadian and London listed lithium company, is pleased to announce that it has now filed on SEDAR the Feasibility Study ("FS") for the Sonora Lithium Project in Mexico ("Sonora" or the "Project") that has been prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and was previously announced on 12 December 2017.

The results of the FS confirm the positive economics and favourable operating costs of a 35,000 tonnes per annum ("tpa") battery grade  $\text{Li}_2\text{CO}_3$  operation. The FS estimates a pre-tax project Net Present Value ("NPV") of US\$1.253 billion at an 8% discount rate and an Internal Rate of Return ("IRR") of 26.1%, and Life of Mine ("LOM") operating costs of US\$3,910/t of lithium carbonate (" $\text{Li}_2\text{CO}_3$ ").

**Report Highlights**

**Strong economic potential of two stage open-pit operation at Sonora: Stage 1 - 17,500 tpa for 4 years; Stage 2 - 35,000 tpa**

- Estimated Project pre-tax IRR of 26.1%; NPV of US\$1.253 billion (at 8% discount rate) with a simple Stage 1 project payback of four years. Revenues are based on a flat US\$11,000/t for battery grade  $\text{Li}_2\text{CO}_3$  over LOM, significantly below the various forecasts of  $\text{Li}_2\text{CO}_3$  price range of US\$12,000 - 20,000/t<sup>2 3</sup>
- Low estimated LOM operating costs of US\$3,910/t of  $\text{Li}_2\text{CO}_3$  - lower than the new lithium brine operations being reported in Argentina<sup>3</sup>
- Average LOM annual earnings before interest, taxes, depreciation and amortisation ("EBITDA") estimated at US\$229 million per annum
- Measured plus Indicated Mineral Resource estimate of over 5 million tonnes ("Mt") of lithium carbonate equivalent ("LCE")<sup>4</sup> (comprising 103 Mt at an average grade of 3,480 ppm Li for 1.9 Mt LCE in Measured Resources and 188 Mt at an average grade of 3,120 ppm Li for 3.1Mt LCE in Indicated Resources) and an additional Inferred Mineral Resource of 268 Mt at an average grade of 2,650 ppm Li for 3.7 Mt LCE
- Low stripping ratio: open-pit mine design indicates a total of 37.1 Mt of ore to be mined over the planned 19-year mine life with an average stripping ratio of approximately 3.4:1 over LOM
- Integrated plant designed to initially process 1.1 Mt of ore per year during Stage 1, subsequently increasing to 2.2 Mt per year for Stage 2
- Stage 1 capital cost estimate of US\$420 million includes - mining, processing plant, on-site infrastructure, construction of Tailings Management Facility ("TMF"), general administration costs as well as the requisite contingencies
- Potential to sell up to 28,000 tpa of potassium sulphate ("SOP", " $\text{K}_2\text{SO}_4$ ") for sale to the Mexican fertiliser industry

<sup>1</sup> 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.

<sup>2</sup> <https://seekingalpha.com/article/4109856-lithium-miners-news-month-september-2017>

<sup>3</sup> <http://www.orocobre.com/investor-centre/quarterly-reports/>

<sup>4</sup> LCE = lithium carbonate ( $\text{Li}_2\text{CO}_3$ ) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent  $\text{Li}_2\text{CO}_3$  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.

**Report Filing**

A technical report on this Feasibility Study entitled "TECHNICAL REPORT ON THE FEASIBILITY STUDY FOR THE SONORA LITHIUM PROJECT, MEXICO" (the "Report"), which has been prepared in accordance with NI 43-101, has

now been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and is also available at [www.bacanoraminerals.com](http://www.bacanoraminerals.com). The joint authors of the Report are listed under the heading, "Qualified Persons" below.

#### **Qualified Persons**

Each of the qualified persons below has reviewed and approved the technical information contained in this press release and are independent of the Company. The qualified persons are:

Greg Lane, FAusIMM., the Chief Technical Officer of Ausenco, is the co-ordinating author and qualified person responsible for the process engineering, infrastructure, capital cost and operating cost estimates.

The Mineral Resource estimate was prepared by Mr. Martin Pittuck, CEng, MIMMM, FGSof SRK, who is an independent Qualified Person as defined by NI 43-101.

The Mineral Reserve estimate and mine plan was prepared by Mr. Herb Welhener of Independent Mining Consultants Inc. who is an independent Qualified Person as defined by NI 43-101.

Mr Joel A. Carrasco P.E., is the Qualified Person with specific responsibility for sections 1.11, 4.4, 4.6, 4.7, 4.8, 5, 18.10, 18.16, 20, 25.5, 26.5, and 27

The Mineral Resource and Mineral Reserve estimates in this press release were prepared in accordance with the CIM "Definition Standards on Mineral Resources and Mineral Reserves" adopted by the CIM Council on May 10, 2014, and the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines," adopted by CIM Council on Nov. 23, 2003, in compliance with NI 43-101 guidelines.

**\*ENDS\***

For further information, please contact:

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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 a Measured plus Indicated Mineral Resource estimate of over 5 Mt (comprising 1.9Mt of Measured Resources and 3.1Mt of Indicated Resources) of LCE 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.

#### **Cautionary Statement Regarding Forward-Looking Information**

*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 estimation of resources and reserves; estimated operating and capital costs, estimated IRR and NPV (in addition to other financial analysis and estimates), potential future production rates, estimated commodity*

prices, commencement of detailed design engineering and overall going forward project development. 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 disclosed under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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