

Bacanora Minerals LTD / Index: AIM; TSX-V / Epic: BCN / Sector: Natural Resources
9 February 2018

**Bacanora Minerals Ltd ("Bacanora" or the "Company")
Proposed Re-domicile**

Bacanora Minerals Ltd., the London and Canadian listed lithium company, announces that it intends to re-commence the process of changing the domicile of jurisdiction from Canada to the UK (the "Re-domicile").

The Company sought shareholder approval to effect the Re-domicile from Canada to the UK in September 2016. However, the requisite approval was not obtained in order to proceed with the Re-domicile. Since listing on AIM in 2014, the Company has been successful in raising funding from the UK Capital Markets and has already added three Global Institutional investors and a major off-take partner to its shareholder base. The Company now intends to raise a significant amount of new debt and equity financing to fund its growth as an international lithium company with new projects in Mexico and Germany and believes that a UK domiciled company with its primary listing on AIM is the best way to achieve this. The Company intends to move its head office and its senior management to the UK, and as a result the Board anticipates that the Re-domicile will result in significant cost and administrative savings for the Company and its subsidiaries (the "Group").

It is intended that the Re-domicile will be effected by means of a plan of arrangement under the *Business Corporations Act* (Alberta), whereby all existing common shares in Bacanora will be exchanged, through a wholly owned subsidiary ("AcquireCo") of Bacanora Lithium Plc ("Bacanora UK") for ordinary shares in Bacanora UK, a company that has been established in the UK to become the new holding company for the Group (the "Transaction"). The share capital of Bacanora UK will be substantially identical to the existing share capital of Bacanora and the rights attaching to the new ordinary shares in Bacanora UK will be substantially the same as for the current Bacanora common shares. In all other respects, the Group will remain unchanged as a result of the Transaction.

The Transaction will be subject to customary shareholder, regulatory and Canadian court approval. The Company therefore intends to send to shareholders a management information circular setting out full details of the Transaction and containing notice of a general and special meeting to consider, and if thought fit, approve the Transaction, among other related and annual matters. Prior to the Transaction becoming effective, it is proposed that Bacanora UK will apply for its ordinary shares to be admitted to trading on AIM. Upon the admission of Bacanora UK Shares to trading on AIM, the Company intends to delist its common shares from the TSX Venture Exchange and cancel trading of its common shares on AIM.

Further announcements will be made in due course in relation to the timetable.

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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 Project¹, 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 LCE² 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 National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) 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 30,000 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 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.

2 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.

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 holding of an annual and special meeting, the delivery of materials to shareholders in respect of such meeting, the completion of the Transaction and the delisting of the Company's common shares from the TSX Venture Exchange. 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.

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