

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

28 February 2018

**Bacanora Minerals Ltd ("Bacanora" or the "Company")
Update re Investor Financing**

Bacanora Minerals Ltd., the London and Canadian listed lithium exploration and development company, provides an update regarding its proposed equity offering with NextView Capital ("NextView"). As announced on 14 December 2017, NextView previously entered into a binding placing letter (the "Placing Letter") with the Company pursuant to which it agreed to acquire 32,976,635 common shares in the Company (the "Placing") at a price of 94.53 pence (approximately C\$1.6223) per share for aggregate gross proceeds of £31,172,813 (approximately C\$53,498,000). The initial target date for completion of the Placing was the end of January 2018. The Company has fulfilled all of its obligations in respect of the Placing, however NextView has failed to forward the Placing proceeds to the Company, leaving it in default under the terms of the Placing Letter.

In spite of the Company's best efforts to ensure compliance, NextView has failed to complete the Placing as contemplated under the binding Placing Letter. In addition, discussions have not resulted in any alternative proposals that would, in the opinion of the board of Bacanora, be in the best interests of Bacanora and its shareholders. Accordingly, the Company is currently taking advice and has reserved its rights in respect of this default.

Bacanora continues to focus on building an international lithium company and, as part of this strategy, developing the Sonora Lithium Project in Mexico ('Sonora') into a leading supplier of high value lithium products to fast-growing industries such as electric vehicles and energy storage. Management is evaluating different funding options with a view to entering the construction phase for Sonora within H1 2018. Sonora was assigned a Net Present Value of US\$1.25 billion and an Internal Rate of Return of 26% in a recently completed Feasibility Study which also confirmed the project occupies a position on the industry cost curve similar to the low-cost brine producers in South America (see announcement of 13 December 2017).

****ENDS****

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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 (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li₂CO₃ 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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