

Bacanora Lithium plc / Index: AIM / Epic: BCN / Sector: Natural Resources

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Bacanora Lithium Plc ("Bacanora" or the "Company")
Update on Financing Strategy for the Sonora Lithium Project

Bacanora Lithium plc, the London listed lithium company, provides an update on its financing strategy to develop the Sonora Lithium Project in Mexico ('the Project'). The Company is in the final stages of talks with a number of financing and offtake partners. As these negotiations continue, the Company will provide updates to shareholders with its plan for the full funding for the construction of Stage 1 of the Project.

This announcement contains inside information as stipulated under the market abuse regulation (eu no. 596/2014). Upon the publication of this announcement via a regulatory information service, this inside information is now considered to be in the public domain.

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Notes to Editors

Bacanora Lithium is a London listed lithium exploration and development company (AIM: BCN). The Company's primary focus is 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 a track record in mine development and production.

The Sonora Lithium Project consists of seven 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. The Project also includes three other lithium concessions, Buenavista, San Gabriel and Megalit, which do not form part of the Feasibility Study, and are held by Megalit S.A. de C.V, 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. 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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