

At the request of the Investment Industry Regulatory Organization of Canada, Bacanora is providing this clarification statement in connection with its press release dated August 27, 2015 wherein it announced the entering into of a supply agreement among Bacanora, [Rare Earth Minerals plc](#) ("REM") (AIM:REM) and, Tesla Motors, Inc. ("Tesla"), the maker of electric vehicles and energy storage solutions (the "Supply Agreement"). In that earlier release, the Company referred to the design and construction of a mine and processing facility with an initial estimated production capacity of 35,000 tonnes of lithium compounds, with the scaling potential of up to 50,000 tonnes per annum. It should be noted that the foregoing estimates are internal, Company estimates that have not yet been determined through a PEA, Pre-Feasibility or Feasibility study prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), as is required prior to the disclosure of a project's production potential. The August 27, 2015 press release also referred to development work being carried out for the pre-feasibility study ("PFS") for the Sonora Lithium Project. For details regarding the work being conducted and the estimated timing of the PFS, investors are referred to the Company's news release dated July 7, 2015, wherein this development work is described in further detail. Lastly, investors are cautioned that without a Pre-Feasibility or Feasibility study prepared in accordance with NI 43-101 there can be no assurance that the Supply Agreement will result in an actual producing lithium mine.

ABOUT BACANORA:

Bacanora is a Canadian and London listed minerals explorer (TSX VENTURE:BCN)(AIM:BCN). The Company explores and develops industrial mineral projects, with a primary focus on lithium and borates. The Company's operations are based in Hermosillo in northern Mexico and it currently has two significant projects under development in the state of Sonora. The two main assets of Bacanora are:

- 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 an Indicated Mineral Resource (in accordance with ("NI 43-101")) of 1.12 Mt LCE contained in 95 Mt of clay at a Li grade of 2,200 ppm and an Inferred Mineral Resource of 6.3 Mt LCE contained in 500 Mt of clay at a Li grade of 2,300 ppm.
- The Magdalena Borate Project, covering 16,503 hectares in Sonora state, Mexico, where the Company's main borate zone, El Cajon, has an Indicated Resource (in accordance with NI 43-101) of 1.17 Mt of B₂O₃, at an eight per cent. cut-off grade. The Company has completed a number of measures to determine the geological and commercial potential of the project and is undertaking a prefeasibility exercise to determine the economic benefit of developing the mine and constructing a processing plant on site in order to become a supplier of boric acid.

Reader Advisory

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 estimations regarding potential mine capacity and completion of the PFS. 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. 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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