

CALGARY, ALBERTA--(Marketwired - Apr 15, 2016) - [Bacanora Minerals Ltd.](#) ("Bacanora" or the "Company") (TSX VENTURE:BCN)(AIM:BCN), is pleased to provide an update regarding its recent and forthcoming activities at the Sonora Lithium Project¹ in northern Mexico ("Sonora").

These developments are being undertaken in line with the Company's strategy to deliver a two phase open-pit mine and lithium carbonate processing facility with a life of over 20 years as quickly as practicable. The Pre-Feasibility Study ("PFS") announced on 3 March 2016, which highlights the attractive economics associated with delivering on this strategy (Pre-tax NPV8% of US\$776 million and Pre-tax IRR of 29%), has been filed under the Company's corporate profile via SEDAR and will be made available on Bacanora's website, www.bacanoraminerals.com. An amended Preliminary Economic Assessment ("PEA") on the Cajon Borate deposit in Sonora, Mexico has also been filed on SEDAR. Further details can be found below and the report will also be made available on the Company's website. In addition, the Company has filed an amended Mineral Resource Estimate ("MRE") prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Sonora Lithium Project (as previously filed in January 2016).

Overview

- Discussions are continuing with various Asian offtake partners, banks, debt providers and strategic investors. Bacanora is focused on developing a project financing strategy as well as producing further battery grade lithium carbonate samples for distribution to potential partners in Asia, in Q3 2016
 - Extensive trenching of the deposit undertaken - over 80 tonnes of mineralized material extracted for processing at Bacanora's pilot plant in Hermosillo and at external facilities
 - Bacanora plans to have offtake and project financing strategies finalized as part of the completion of the Feasibility Study ("FS") in Q1 2017
- FS, for which Bacanora is fully funded, has commenced with the following activities undertaken:
 - Drilling contractor is being mobilized to undertake infill reserve drilling - scheduled for Q2 2016 and intended for completion in Q3 2016
 - Process commenced to appoint international engineering and technical consultants to undertake the geological resource modelling, metallurgical testwork, mine designs and process engineering
 - Process commenced to recruit additional technical personnel with lithium development and operating expertise
- Amended MRE incorporates results from metallurgical testwork conducted in Q1 2016 which highlighted that a potassium product can be recovered as a by-product
 - Following this testwork, SRK Consulting (UK) Limited ("SRK") interpolated grades of potassium ("K") into the block model
 - Amended MRE being reported using a cut-off grade of 1,000 ppm lithium (previously 450 ppm), which is confined to a resource pit shell based on updated reasonable optimisation parameters and lithium selling prices, reflecting economic parameters contained within the PFS
 - Amended MRE comprises an Indicated Mineral Resource estimated at 259 Mt averaging 3,200 ppm Li for 4.5 Mt of LCE², in addition to an Inferred Mineral Resource estimated at 160 Mt averaging 3,200 ppm Li for 2.7 Mt of LCE
 - Amended MRE does not impact the attractive economics highlighted in the PFS, which are based on unchanged Probable Mineral Reserves estimates

Further Information

Amended NI-43-101 Mineral Resource estimate for Sonora

The amended report for Sonora, which has been prepared in accordance with NI 43-101, is entitled, *Amended Mineral Resource Estimate for the Sonora Lithium Project, Mexico, April 2016*. The lead author of the amended report is Mr. Martin Pittuck (MSc., C.Eng., FGS, MIMMM) of SRK, who is a "qualified person" within the meaning of NI 43-101 and is independent of the Company. The amended report has been filed on SEDAR and will also be made available for download on the Company's website.

This report provides an amendment to the Mineral Resource Statement given in Bacanora's announcement dated 3 March 2016 (as the Li cutoff grade has since changed) and supersedes the previous technical report for Sonora that was released and filed in January 2016. This amended report incorporates the results of the metallurgical testwork conducted by Bacanora, which also highlighted that a potassium product can be recovered as a by-product from lithium carbonate production, along with updated operating cost estimates in early 2016 (subsequent to the release of the January 2016 MRE). Following this testwork, SRK interpolated grades of potassium into the block model and was requested to produce an amended MRE that includes K results. SRK has not received any further drilling data since the January 2016 MRE.

Since the 3 March 2016 announcement, SRK has amended the MRE to reflect the economic parameters contained within the PFS, including slightly lower projected lithium prices and increased processing costs. This has resulted in an amended MRE being reported using a cut-off grade of 1,000 ppm lithium (previously 450 ppm), which is confined to a resource pit shell based on updated reasonable optimisation parameters and lithium selling prices.

The amended MRE comprises an Indicated Mineral Resource estimated at 259 Mt averaging 3,200 ppm Li for 4.5 Mt of LCE, in addition to an Inferred Mineral Resource estimated at 160 Mt averaging 3,200 ppm Li for 2.7 Mt of LCE. Mineral Resources are stated inclusive of Mineral Reserves.

Table 1 SRK Amended Mineral Resource Statement as of 12 April 2016

Classification	Clay Tonnes (Mt)	Clay Grade			Contained Metal			LCE attributable to BCN	
		Li ppm	K %	Kt	Li Kt	LCE Kt	K Kt	LCE Kt	LCE
Indicated	259	3,200	1.4	839	4,463	3,555	3,607		
Inferred	160	3,200	1.3	515	2,740	2,130	2,369		

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.
2. The reporting standard adopted for the reporting of the MRE uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101 and JORC.
3. SRK assumes the Sonora Lithium deposit to be amenable to surface mining methods. Using results from initial metallurgical test work, suitable surface mining and processing costs, and forecast LCE price SRK has reported the Mineral Resource at a cut-off 1,000 ppm Li (5,320 ppm Li₂CO₃).
4. SRK completed a site inspection of the deposit by Mr. Martin Pittuck, MSc, C.Eng, MIMMM, an appropriate "independent qualified person" as such term is defined in NI 43-101.
5. LCE is the industry standard terminology for, and is equivalent to, Li₂CO₃. 1 ppm Li metal is equivalent to 5.32 ppm LCE / Li₂CO₃. 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.

The amended Mineral Resource is inclusive of the Probable Reserves, which form the basis of the attractive economics highlighted in the PFS; the Probable Reserves remain unchanged since the 3 March 2016 announcement and are summarized in Table 2:

Table 2: Probable Mineral Reserves: (Cut-off grade of 1,200 ppm)

Classification	Tonne Ore (Mt)	Li (ppm)	K (%)	LCE (000t)	LCE attributable to BCN (000t)
Probable	129.7	3,015	1.28	2,083	1,813

For the Stage 1 and Stage 2 mining design, a total of 52 Mt of ore at a grade of 3,525 Li ppm and 1.49% K and a stripping ratio of 3.1:1 will be mined over the initial 20-year mine life which forms the basis of the PFS economics.

Highlights of Sonora PFS:

The PFS has been prepared in accordance with NI 43-101 and is entitled, *Technical Report on the Pre-Feasibility Study for the Sonora Lithium Project, Mexico, 15 April 2016*. The authors of the PFS are Ausenco Limited ("Ausenco"), SRK and Independent Mining Consultants Inc. ("IMC"). The PFS has been filed on SEDAR and will also be made available for download on the Company's website.

The PFS comprises a two phase open-pit mine and lithium carbonate processing facility with a life of over 20 years, with the following production profile:

- Phase 1: Initial production of 17,500 tonnes per year of battery-grade Li₂CO₃, for the first two years of operations;
- Phase 2: Expansion to 35,000 tonnes Li₂CO₃ per year in or around the 3rd year of operations; and
- Designed to produce up to 50,000 tonnes per year of potassium sulphate (Sulfate of Potash, K₂SO₄) subsequent to the third year, for sale to the fertilizer industry.

The PFS demonstrates the attractive economics of Sonora and key findings are shown in the table below:

Table 3: Key Results

Pre-Feasibility Study Key Indicators	Value
Pre-tax Net Present Value	\$776M
Pre-tax IRR (%)	29%
Simple Payback (years)	5
Initial Construction Capital Cost	\$240M

Stage 2 Construction Capital Cost	\$177M
Av. LOM operating costs (\$/t Li ₂ CO ₃)	\$2,698
Av. operating costs (\$/t Li ₂ CO ₃ net of K ₂ SO ₄ credits)	\$2,100
Post-tax NPV (at 8% discount)	\$542M
Post-tax IRR (%)	25%
Av. annual EBITDA with co-products (US\$)	\$134M
Av. Annual Li ₂ CO ₃ production capacity (Years 1 and 2)	17,500 t
Av. Annual Li ₂ CO ₃ production capacity (Years 3 to 20)	35,000 t
Av. Annual K ₂ SO ₄ production (Years 3 to 20)	50,000 t

(* All costs are in US dollars)

Qualified Persons for the PFS and Amended Sonora MRE

Each of the qualified persons below has reviewed and approved the technical information contained in this press release pertaining to the Sonora Lithium Project and is independent of the Company. The qualified persons are:

Kevin Scott, P. Eng., of Ausenco, is the Qualified Person responsible for the recovery methods, infrastructure, capital cost and operating cost estimates, and the overall preparation of the PFS.

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

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

The Indicated and Inferred Mineral Resource and Probable Mineral Reserve estimates for the Sonora Lithium Project 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 10 May 2014, and the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines," adopted by CIM Council on 23 November 2003, in compliance with NI 43-101 guidelines.

Cajon Borates PEA

The Company has also filed an amended PEA on the Cajon Borate deposit in Sonora, Mexico. The amended PEA, which has been prepared in accordance with NI 43-101, is entitled, *Amended Preliminary Economic Assessment for the El Cajon Borate Deposit, Magdalena Basin Project, Sonora, Mexico*. The lead author with overall responsibility for the PEA is Carl G. Verley, P.Geo., who is a "qualified person" within the meaning of NI 43-101 and is independent of the Company. The co-authors of the amended PEA are Geoff Allard, P.E., Rodrigo Calles Montijo, Lic. Eng. and Martin Vidal, MSc, Lic. Geo. The amended PEA has been filed on SEDAR and will also be made available for download on the Company's website. The amended PEA provides clarification concerning the responsible Qualified Persons who authored the report, the dates of their inspection of the property, bulk density data, an expanded life-of-mine cash-flow analysis, as well as information on colemanite price data used in the report. The balance of the information reported remains unchanged. For further details, please refer to the Company's press release of 7 January 2013. The highlights of the amended PEA are reiterated below.

Highlights of the amended PEA (shown in Table 4) for a potential colemanite mine and production facility with a mining rate of 231,100 tonnes averaging 10.5% B₂O₃ per annum to yield 50,000 tonnes of 40-42% colemanite concentrate per year over a 25 year mine life suggest annual revenue of US\$25 million for an IRR of 24.8% with a 4 year pay back. Capital costs are estimated at US\$7.25 million and average operating costs at US\$170/tonne. NPV of the project, discounted at 8%, is US\$113 million, assuming an average colemanite concentrate price of US\$500/tonne. The preliminary economic assessment includes forward looking information including, but not limited to assumptions concerning colemanite prices, cash flow forecasts, project capital and operating costs, commodity recoveries, mine life and production rates. Readers are cautioned that actual results may vary from those presented. Further testing will need to be undertaken to confirm economic feasibility of the El Cajon deposit. Readers are further cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 4: Preliminary Financial Highlights

Open Pit Mine Production per annum	231,100	tonnes @ 10.5% B ₂ O ₃
Colemanite concentrate production per annum	50,000	tonnes @ 42% B ₂ O ₃
Revenue (US\$500/tonne of colemanite concentrate) per annum	\$25	million
NPV (8% Discount)	US\$113	million

Internal rate of return (IRR)	24.8%
Average Operating costs	US\$170 per tonne
Total Initial Capital Costs	US\$7.25 million
Expected Mine Life	25 years
Pay Back of Capital Costs	4 year

Carl G. Verley, P.Geo. is the Qualified Person pursuant to NI 43-101 who was the lead author with overall responsibility for the amended PEA and review and approval of the relevant technical contents of this news release.

It should be noted that Colemanite is not an exchange traded commodity; consequently, there is no widely quoted or accepted spot price for colemanite concentrates. Concentrate prices are negotiated on a supply-demand basis generally with end-users. In the absence of further definitive colemanite price data, information on colemanite prices was taken from Industrial Minerals, a source that has been in the business of providing insight and analysis on industrial minerals since 1967 and is therefore believed to be reliable. Colemanite prices range from between US\$630 to US\$730 per tonne for concentrates averaging between 40-42% B₂O₃ according to Industrial Minerals price reports (Industrial Minerals Magazine, September 2011). The Qualified Person has not verified the reliability of the limited price data for colemanite. Colemanite concentrate prices of US\$400, US\$500 and US\$600 per tonne FOB Guaymas are used in economic analyses of the El Cajon deposit as presented under Item 22.0 of the amended PEA. These price ranges are below those reported in the Industrial Minerals publication and are, therefore, thought to be conservative. However, investors should be aware that the price data used may not be a reliable reflection of current colemanite prices.

Report Filings

All of the technical reports referred to herein (each of which has been prepared in accordance with NI 43-101) have been filed under the Company's profile on SEDAR at www.sedar.com and are also available via the Company's website at www.bacanoraminerals.com.

ABOUT BACANORA:

Bacanora is a Canadian and London listed minerals explorer (AIM and TSX-V: BCN). The Company explores and is developing industrial mineral projects, with a primary focus on its lithium project. The Company's operations are based in Hermosillo in northern Mexico. The 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 4.46 Mt LCE contained in 259 Mt of clay at a Li grade of 3,200 ppm and an Inferred Mineral Resource of 2.74 Mt LCE contained in 160 Mt of clay at a Li grade of 3,200 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 pre-feasibility 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 disclosure regarding the anticipated timing for completion of the construction and commissioning of the process plant, capital and operating cost estimates, ongoing discussions with potential offtake partners, banks, debt providers and strategic investors, completion of a feasibility study, future drilling activities, appointment of engineering and technical consultants, the production of lithium and potassium products and the lithium market in general. 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.

¹ The Sonora Lithium Project is comprised of the following lithium properties: La Ventana lithium concession, which is 100 percent owned by Bacanora, and the El Sauz and Fleur concessions, which are held by Mexilit S.A. de C.V. ("Mexilit"). The Megalit concession, which is held by Megalit S.A de C.V. ("Megalit"), is not included in the Sonora Project Technical Reports at this time. Mexilit and Megalit are owned 70 percent by Bacanora and 30 percent by [Rare Earth Minerals plc](#)

² LCE is the industry standard terminology for, and is equivalent to, Li_2CO_3 . 1 ppm Li metal is equivalent to 5.32 ppm LCE / Li_2CO_3 . 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.

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