

CALGARY, ALBERTA--(Marketwired - May 20, 2016) - BACANORA MINERALS LTD. ("Bacanora" or the "Company") (TSX VENTURE:BCN) (AIM:BCN), the London and Canadian listed lithium company which is developing the Sonora Lithium Project in northern Mexico(1), is pleased to announce that it has raised £7,702,500 (approximately US\$11.2 million / approximately CAD \$14.7 million) via the placing of 9,750,000 units (the "Placing Units") at a price of 79 pence (approximately CAD \$1.48) per Placing Unit (the "Placing") with certain funds and accounts managed by BlackRock ("BlackRock"). Each Placing Unit is comprised of one new common share of the Company (a "Placing Share") and 0.3 of one common share purchase warrant, with each whole warrant (a "Placing Warrant") being exercisable into one common share at a price of 79 pence at any time subsequent to July 25, 2016, but on or before September 30, 2016. Accordingly, an aggregate of 9,750,000 Placing Shares and 2,925,000 Placing Warrants are issuable under this Placing. In the event that the Placing Warrants are fully exercised, the total proceeds received by the Company from the Placing will be approximately £10,000,000 (approximately US\$14.6 million / approximately CAD \$19.1 million). The Placing is in line with the Company's strategy to increase the institutional representation of its shareholder register and follows the securing of Bacanora's first major institutional investor in November 2015.

The funds raised will be invested in the Company's Sonora Lithium Project in Mexico, one of the larger lithium resources in the world, which contains estimated Indicated Mineral Resources of 259 million tonnes ("Mt") averaging 3,200 ppm Li for 4.5 Mt of lithium carbonate equivalent ("LCE")(2) and Inferred Mineral Resources of 160 Mt averaging 3,200 ppm Li for 2.7 Mt of LCE. A fully funded Feasibility Study ('FS'), which is due for completion in Q1 2017, is underway at Sonora 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. A Pre-Feasibility Study ('PFS') announced on 3 March 2016 highlighted the attractive economics associated with delivering on this strategy (Pre-tax NPV8% of US\$776 million and Pre-tax IRR of 29%). In tandem with the FS, discussions are continuing with various Asian offtake partners, banks, debt providers and strategic investors.

Peter Secker, CEO of Bacanora, commented, "We are very pleased to welcome Blackrock, our second major institutional investor, to our shareholder register. In our view, raising £7.7 million (with the potential to increase this to an aggregate of £10 million) at the prevailing share price in current market conditions is testament to the potential of the Sonora Lithium Project to be a major supplier to the lithium market, as highlighted by the recent PFS. BlackRock is not only gaining exposure to Bacanora at an exciting time in its development, but also to the attractive demand / supply dynamics of the global lithium market. Thanks to lithium's key role in highly innovative industries such as smartphones, electric vehicles and energy storage, supply is expected to struggle to match continued rapid growth in demand for many years to come. We believe Bacanora is well placed to play its part in closing this expected shortfall in supply and I look forward to providing further updates on our progress."

The Placing was completed in reliance upon exemptions from applicable prospectus and registration requirements. Accordingly, any trades of securities issued under the Placing that occur in Alberta or to a purchaser in Alberta would be subject to a hold period equal to four months and one day from the date of issuance (being September 21, 2016). Trades of securities occurring through the CREST system among non-Alberta residents will not be subject to this restriction. There were no Alberta subscribers under the offering and all of the aforementioned shares will be deposited under the CREST system.

#### 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 National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("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 B<sub>2</sub>O<sub>3</sub>, 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 the use of proceeds of the Placing, completion of a Feasibility Study and ongoing discussions with potential off-take partners, banks, debt providers and strategic investors. 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](http://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 per cent. owned by Bacanora; El Sauz and Fleur concessions, which are held by Mexilit S.A. de C.V. ("Mexilit"); and the Megalit concession, which is held by Megalit S.A de C.V ("Megalit"). Mexilit and Megalit are owned 70 per cent. by Bacanora and 30 per cent. by REM.

(2) LCE is the industry standard terminology for, and is equivalent to,  $\text{Li}_2\text{CO}_3$ . 1 ppm Li metal is equivalent to 5.32 ppm LCE /  $\text{Li}_2\text{CO}_3$ . 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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