

CALGARY, ALBERTA--(Marketwired - Oct 5, 2016) - BACANORA MINERALS LTD. ("Bacanora" or the "Company") (TSX VENTURE:BCN)(AIM:BCN), the Canadian and London listed lithium exploration and development company focused on Mexico, is pleased to provide an update regarding the operational progress made at the Sonora Lithium Project in Mexico ("Sonora" or the "Project"). A Feasibility Study ("FS") at the Project, led by its experienced lithium team, is on track to be delivered in late Q1 2017 in line with Bacanora's strategy to independently develop Sonora into a world class lithium carbonate operation, with previously announced attractive production economics.

Recent Developments:

- Successfully completed a 4,000 metre infill drilling programme focused on upgrading a portion of the current Mineral Resource from the Indicated to Measured category, in conjunction with geotechnical and hydrological drilling for the FS
- Sonora currently has a large Indicated Resource currently comprised of 259 Mt averaging 3,200 ppm Li for 4.5 Mt of lithium carbonate equivalent ("LCE¹")
- SRK Exploration has started to update the resource model and an updated Resource is anticipated to be published in Q4 2016 sequential with the commencement of mine planning and open pit designs for the FS
- Ongoing refinement and optimisation of the lithium carbonate flow sheet, developed at the pilot plant operations in Hermosillo, will continue over the next 18 months
 - Benefits Bacanora by ensuring that operator training programmes are maintained during the construction of the full scale plant, thereby minimizing potential delays during project commissioning
- Battery grade lithium carbonate samples from the pilot plant have been distributed to Japan for preliminary appraisal and testing by potential end-users
 - Facilitates a positive dialogue between customers and Bacanora's technical team during the ongoing lithium carbonate flow sheet optimisation process
 - Continued strategic focus on the larger lithium carbonate supply chain in Asia, rather than the smaller lithium hydroxide market

¹ 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.

Bacanora CEO Peter Secker said, "The Sonora Lithium Project has demonstrated its potential to deliver high grade lithium carbonate to the market with operating costs which could position it very favorably in comparison to its peers. The team continues to prove that it has the lithium operations and mine development expertise to attain key milestones and incrementally build project and shareholder value, something recognised by the Company's institutional backing."

"We have demonstrated our ability to produce battery grade lithium carbonate at our wholly-owned pilot plant in Hermosillo, Mexico and also confirmed that the deposit is both long life and scalable, positioning it to supply the rapidly growing market for lithium carbonate, at a comparatively low cost, for over 20 years. The continued growth of the electric vehicle, combined with the commercial developments being made in delivering large-scale renewable energy storage capacity makes the lithium carbonate market a compelling place to do business. Accordingly, our in-house operations, both current and future, are dedicated to ensuring that we secure the right development path to deliver the best possible product at the lowest possible price."

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 minerals explorer (TSX-V: BCN and AIM: BCN). The Company explores and develops industrial mineral projects, with a primary focus on lithium. 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 4.5 million tonnes (lithium carbonate equivalent) and 2.7 million tonnes Inferred. A Pre-Feasibility Study completed in Q1 2016 demonstrated the positive economics associated with becoming a 35,000 tpa lithium carbonate and 50,000 tpa SOP producer in Mexico. The Company is led by a team with lithium expertise which have proven mine development, construction and operational experience.

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. 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.

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