

Initial 10% Equity Investment and Lithium Carbonate Off-take for Up To 100% of Production

CALGARY, ALBERTA--(Marketwired - Apr 10, 2017) - BACANORA MINERALS LTD. ("Bacanora" or the "Company") (TSX VENTURE:BCN)(AIM:BCN), the Canadian and London listed lithium exploration and development company focused on building an international lithium group, is delighted to announce that it has entered into a strategic partnership (the "Agreement") with Hanwa Co., LTD. ("Hanwa"), a leading Japan-based global trading company and one of the larger traders of battery chemicals in the Asian region, with reported net sales of more than ¥1,500 billion in 2016.

The Agreement is comprised of both an initial 10% equity investment in Bacanora and an Off-take Agreement for up to 100% of the battery grade lithium carbonate (Li_2CO_3) produced at the Sonora Lithium Project ("Sonora" or the "Project"). The Company is targeting to produce 17,500 tonnes of Li_2CO_3 per annum ("Stage 1"), commencing in 2019. After two years of producing at this level, the Company plans to lift production to 35,000 tonnes per annum ("Stage 2")¹.

Overview

- Milestone Off-take Agreement for up to 100% of Li_2CO_3 produced at Sonora:
 - Hanwa to purchase 70-100% of lithium carbonate produced during Stage 1
 - Tonnage based contract for battery grade lithium carbonate at market pricing, with final pricing to be finalised prior to commencement of production
 - Option to increase the off-take tonnage by up to 100% at Stage 2 production
- Company-level investment demonstrates Hanwa's commitment to Bacanora and represents the entry of a new long term, supportive investor to the register:
 - Hanwa to acquire an initial 10% interest in Bacanora, raising approximately £10,175,000 (approximately C\$16,896,000) in proceeds to the Company via the placement of 12,333,261 shares at a price of 82.5 pence (approximately C\$1.37) per share (the "Placing")
 - Hanwa is entitled to present a nominee for election to the board of directors of Bacanora and has a pre-emptive right to maintain its 10% equity interest
 - Hanwa shall have an option to increase its equity interest in Bacanora to 19.9%.
- The Agreement provides a funding platform for the Project - Hanwa represents a cornerstone investor and will aid in the procurement of long term project debt funding
- Validates the quality of the battery grade (+99.5%) lithium carbonate product and Bacanora's production process
 - Hanwa has received numerous samples of the Company's battery grade product and has distributed samples to a number of their customers

Bacanora Chairman Mark Hohnen stated, "This partnership with one of Japan's leading battery chemical traders is transformational for Bacanora: it significantly reduces the overall risk profile of the Project; validates our production process; and provides us with an excellent platform with which to fund the future development of Sonora, our advanced lithium project in Mexico. Importantly, a long-term, supportive relationship has been established between ourselves and Hanwa, who will take a 10% interest in our Company and also purchase between 70-100% of the total lithium carbonate production from our unique asset, highlighting their confidence in our processing methods and our ability to execute on the exciting opportunity that Sonora presents. This will be priced at market prior to production.

"Crucially, this relationship provides Bacanora with a further aligned cornerstone investor ahead of project financing and establishes a mantle from which we hope to leverage towards project debt financing out of Japan to contribute towards the construction of a significant lithium carbonate operation in Mexico. We are delighted to have delivered on our stated objective to secure a partner within the buoyant Asian lithium carbonate market and look forward to continuing this theme in the coming months, as we work towards the completion of our Feasibility Study."

Further Information

The Agreement

Hanwa has established a long-term strategic relationship with Bacanora in relation to its Sonora Lithium Project in Mexico. The ongoing Feasibility Study at Sonora is focused on delivering an operation capable of initially delivering 17,500 tonnes pa of Li_2CO_3 for the first two years of operations, followed by 35,000 tonnes Li_2CO_3 pa thereafter. Under the terms of the Agreement, Hanwa will initially acquire 10% of the issued share capital of Bacanora and acquire between 80 - 100% of the Li_2CO_3 produced at Sonora. In terms of the off-take agreement, pricing will be finalised in line with global Li_2CO_3 prices prior to Sonora being brought into production.

Hanwa's investment to acquire 10% of Bacanora's outstanding shares is anticipated to be undertaken by the end of April 2017. Hanwa also has an option to increase its equity investment by up to an additional 9.9% of new shares to be issued at market

prices at the time of exercise. Further details regarding the completion of the equity investment will be provided in due course.

Importantly, Hanwa has committed to utilising its strong relationships in Asia in order to assist Bacanora in securing the debt financing component of the funding package required to enable development to commence following completion of the Feasibility Study. Preliminary introductions made to date by Hanwa have been positive first steps towards securing such additional future financing requirements.

About Hanwa

Hanwa is a Japanese trading company which supplies a broad spectrum of products, including steel, non-ferrous metals, food, fuel, chemicals, lumber, machinery and many other items, to an equally diverse range of customers. The company has solid positions in all of these businesses. As a trading company that performs many important roles, Hanwa will continue to enter more business fields in response to changes in the operating environment in order to meet the needs of customers.

ABOUT BACANORA:

Bacanora is a Canadian and London listed lithium exploration and development company (TSX VENTURE:BCN)(AIM:BCN). The Company is exploring for, and developing a pipeline of international lithium projects, with a primary focus 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 proven mine development, construction and operations experience.

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 (LCE²) and 2.7 million tonnes Inferred.³ A Pre-Feasibility Study completed in Q1 2016⁴ established Probable Mineral Reserve (in accordance with NI 43-101) of 2.1 million tonnes LCE and demonstrated the economics associated with becoming a 35,000 tpa lithium carbonate and 50,000 tpa SOP producer in Mexico.

In addition to the Sonora Lithium Project, the Company also has a 50% interest in the Zinnwald Lithium Project in southern Saxony, Germany. The Zinnwald Lithium Project is 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 allows immediate access to the German automotive and downstream lithium chemical industries.

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 future production targets, completion of a Feasibility Study, various terms under the Agreement, completion of the Placing and procurement of future debt financing. 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 See *Technical Report on the Pre-Feasibility Study for the Sonora Lithium Project, Mexico*, 15 April 2016. The authors of the

PFS are Ausenco Limited, SRK and Independent Mining Consultants Inc. A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

² LCE = lithium carbonate (Li_2CO_3) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li_2CO_3 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.

³ See *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 Consulting (UK) Limited ('SRK'). A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

⁴ See *Technical Report on the Pre-Feasibility Study for the Sonora Lithium Project, Mexico, 15 April 2016*. The authors of the PFS are Ausenco Limited, SRK and Independent Mining Consultants Inc. A copy of this report is available under Bacanora's corporate profile at www.sedar.com.

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