

8 November 2017

Bacanora Minerals Ltd
(*'Bacanora'* or the *'Company'*)
Mining Licence Issued for Zinnwald Lithium Project in Germany

Bacanora, the London and Canadian listed (AIM: BCN, TSXV: BCN) lithium exploration and development company, is pleased to announce that its jointly controlled entity, Deutsche Lithium GmbH (*'Deutsche Lithium'*), has been granted a mining licence (*'the Licence'*) covering 256.5 hectares of its Zinnwald Lithium Project (*'Zinnwald'*) which is located in southern Saxony, Germany, close to the key German automotive and downstream lithium chemical industries. The 30 year Licence has been issued by the Saxony State Mining Authority (Sächsisches Oberbergamt) in accordance with §8 of the German Mining Act (Bundesberggesetz).

Zinnwald is located in a granite hosted Sn/W/Li belt that has been mined historically for tin, tungsten and lithium. Recent testwork on Zinnwald concentrates has shown that a number of downstream lithium products can be produced from the Zinnwald ores, utilising chemicals and infrastructure available in the Dresden area. As part of the ongoing development of Zinnwald, a Feasibility Study is underway to develop a strategy to demonstrate the economic viability of producing higher value downstream lithium products for the European battery and automotive sectors and is expected to be completed in mid-2019

The following work has been completed or is ongoing:

- A resource infill drilling programme to upgrade the existing resource model in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*
 - Four of out of 15 planned infill drilling holes have been completed - the remaining holes are scheduled for completion by January 2018
- Collection of a 100 tonne bulk ore sample from the legacy mine at Zinnwald to provide samples for metallurgical testwork
 - Material has been crushed and sent to metallurgical laboratories in Germany
 - Grinding, magnetic separation and concentration testwork programmes will be carried out over the next four months to develop the final flowsheet to produce a lithium rich concentrate
- On completion of the concentration testwork, hydrometallurgical testwork for downstream processing will be undertaken, focusing on the production of higher value lithium battery chemical products

Bacanora currently has a 50% interest in, and joint operational control, of the Zinnwald Lithium Project, with an option to acquire the remaining 50% of the Project. Zinnwald complements Bacanora's flagship Sonora Lithium Project (*'Sonora'*) in Mexico, which is one of the world's larger and scalable lithium deposits, where the Feasibility Study is due to be completed in late 2017. The Feasibility Study, which is focused on an initial operation capable of delivering 17,500 tonnes per year of high quality battery-grade Li_2CO_3 , followed by an expansion to 35,000 tonnes Li_2CO_3 per year, is expected to confirm that Sonora occupies a favourable position on the industry cost curve.

Bacanora CEO Peter Secker said, "The issue of the mining licence is a key milestone for Zinnwald where various workstreams for the Feasibility Study are well advanced. In Zinnwald and Sonora, Bacanora has, in our view, two world class assets, which have the potential to provide significant supplies of lithium products to the strategically important European and Asian lithium markets."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("*MAR*").

****ENDS****

For further information please visit www.bacanoraminerals.com or contact:

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ABOUT BACANORA:

Bacanora is a Canadian and London listed lithium exploration and development company (TSX-V: BCN and 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 NI 43-101) of 4.5 million tonnes (LCE^[1]) and 2.7 million tonnes Inferred^[2]. A Pre-Feasibility Study completed in Q1 2016^[3] 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 provides close geographical proximity to the German automotive and downstream lithium chemical industries.

1 LCE = lithium carbonate (Li₂CO₃) equivalent; determined by multiplying Li value in percent by 5.324 to get an equivalent Li₂CO₃ 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.

2 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.

3 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.

FORWARD LOOKING STATEMENTS:

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 additional infill drilling that is planned on the Zinnwald Project, potential upgrading of resources, ongoing grinding, magnetic separation and concentration testwork programs being carried out, development of final flowsheet, undertaking of hydrometallurgical testwork and potential production of products for the European battery and automotive sectors. 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. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

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