

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES ("AIM RULES")
COMPANY NAME:
Bacanora Lithium plc ("Bacanora Lithium" or the "Company"), which is to be the new holding company of Bacanora Minerals Ltd following completion of a plan of arrangement.
COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :
Registered Address: 4th Floor, 97 Jermyn Street, London, SW1Y 6JE Trading Address: Calle Uno No 312 Col. Bugambillas, Hermosillo Sonora Mexico CP. 83140
COUNTRY OF INCORPORATION:
England and Wales
COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:
www.bacanoralithium.com
COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:
<p>Bacanora Lithium is a newly incorporated UK company established to become the new holding company for Bacanora Minerals Ltd ("Bacanora Canada"), a Canadian incorporated company whose shares are admitted to AIM and TSX-V, by means of a plan of arrangement ("Arrangement").</p> <p>Bacanora Canada explores and develops industrial mineral projects, with a primary focus on borates and lithium. Its operations are based in Hermosillo in northern Mexico.</p> <p>Bacanora Lithium is seeking to admit its ordinary shares to AIM once the Arrangement becomes effective ("Effective Date"), whereupon the trading of Bacanora Canada shares on AIM and TSX-V will be cancelled.</p> <p>Bacanora Canada's activities and assets are more fully described on Bacanora Canada's website at www.bacanoraminerals.com.</p>
DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):
107,874,353 ordinary shares of 10p each in the capital of Bacanora Lithium ("Ordinary

Shares").				
No restrictions on transfer.				
CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:				
No new capital to be raised.				
Expected Market Capitalisation on Admission: £100 million.				
PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:				
47.5%				
DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES (INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:				
None				
FULL NAMES AND FUNCTIONS OF <u>DIRECTORS</u> AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):				
<u>Colin</u> Ian Orr-Ewing (Non-executive Chairman) <u>Martin</u> Fernando Vidal Torres (President and Director) <u>Derek</u> Batorowski (Chief Financial Officer and Director) <u>James</u> Gerald Leahy (Non-executive Director) <u>Mark</u> Ainsworth Hohnen (Non-executive Director) <u>Kiran</u> Caldas Morzaria (Non-executive Director)				
FULL NAMES AND HOLDINGS OF <u>SIGNIFICANT SHAREHOLDERS</u> EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):				
	Before		After	
Rare Earth Minerals plc	16,682,915	15.42%	16,682,915	15.42%
Igneous Capital Limited	15,000,000	13.91%	15,000,000	13.91%
Colin Orr-Ewing	10,818,793	10.03%	10,818,793	10.03%
BlackRock	9,750,000	9.04%	9,750,000	9.04%
M&G Investment Funds	8,399,642	7.79%	8,399,642	7.79%
D&A Income Ltd	5,303,030	4.92%	5,303,030	4.92%
Saorse Limited	3,510,046	3.25%	3,510,046	3.25%
NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:				
N/A				
(i) ANTICIPATED ACCOUNTING REFERENCE DATE				
(ii) DATE TO WHICH THE <u>MAIN FINANCIAL INFORMATION</u> IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)				
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:				
(i) 30 June				
(ii) Not applicable - existing issuer re-admitting to AIM				
(iii) 31 December 2016, 31 March 2017, 31 December 2017				
EXPECTED ADMISSION DATE:				
17 August 2016				
NAME AND ADDRESS OF NOMINATED ADVISER:				

Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX United Kingdom
NAME AND ADDRESS OF BROKER:
Stifel Nicolaus Europe Ltd 150 Cheapside London EC2V 6ET United Kingdom
OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:
N/A
DATE OF NOTIFICATION:
18 July 2016
NEW/ UPDATE:
New
QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:
THE NAME OF THE <u>AIM DESIGNATED MARKET</u> UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:
AIM
THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:
25 July 2014
CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR <u>DETAILS OF WHERE THERE HAS BEEN ANY BREACH:</u>
<p>On 11 September 2015, Bacanora Canada announced that Mr. Colin Orr-Ewing, Non-Executive Chairman of Bacanora Canada, had informed Bacanora Canada that he had an interest over 10,968,793 Bacanora Canada Shares whereas his previously disclosed interest as set out in Bacanora Canada's admission document dated 21 July 2014 was erroneously stated as being 9,958,683 Bacanora Canada Shares.</p> <p>Except as disclosed above, the Directors confirm that, after due and careful enquiry, the Company has adhered to all legal and regulatory requirements involved in having its securities traded on AIM.</p>
AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:
www.bacanoraminerals.com
DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:
<p>Following the publication of the preliminary feasibility study on the Sonora Lithium Project prepared in accordance with National Instrument 43-101, Bacanora Canada has commenced a definitive feasibility study ("DFS") for a two stage mine and processing facility to produce up to 35,000 tpa of lithium carbonate at its Sonora Project in northern Mexico. As part of this study the Company has initiated an infill reserve drilling program, appointed international engineering and technical consultants to undertake the geological resource modelling, metallurgical test work, mine designs and process engineering, as well</p>

as recruiting additional technical personnel with lithium development and operating expertise. The Company is currently scheduling to have the DFS completed in Q1 2017.

The Company will continue to review the feasibility of producing boric acid or colmanite from its Magdalena Borate Project. It has also been developing a preliminary mine plan and carrying out additional metallurgical test work programmes for the production of boric acid from howlite mineralisation. The Company intends to commence a preliminary feasibility study on its borate assets, including a detailed full scale boric acid plant design and costing, revised mine plan and environmental baseline studies and mine permitting activities.

A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:

On 31 May 2016, Bacanora Canada announced its third quarter results for the 9 month period to 31 March 2016. The financial results and the management discussion and analysis are available on Bacanora Canada's website at www.bacanoraminerals.com.

On 20 May 2016, Bacanora Canada announced that it has raised approximately £7.7 million via the placing of 9,750,000 units (the "Placing Units") at a price of £0.79 per Placing Unit with certain funds and accounts managed by BlackRock. Each Placing Unit is comprised of one new common share of Bacanora Canada and 0.3 of one common share purchase warrant, with each whole warrant being exercisable into one common share at a price of £0.79 at any time subsequent to 25 July 2016, but on or before 30 September 2016. Accordingly, an aggregate of 9,750,000 Placing Shares and 2,925,000 Placing Warrants were issued under this Placing.

On 15 April 2016, Bacanora Canada announced that it had filed a Pre-Feasibility Study and amended mineral resource estimate for its Sonora Lithium Project. It also announced that it had filed an amended Preliminary Economic Assessment for its Magdalen Borate Project. The reports are available on Bacanora Canada's website at ww.bacanoraminerals.com.

On 16 November 2015, Bacanora Canada announced that it had raised approximately £8.8 million via the placing of 11,476,944 new common shares at a price of 77 pence per share. The funds raised are being used to advance the Sonora Lithium Project and to expand and upgrade the Pilot Plant. The expanded plant will be used to produce battery grade lithium carbonate marketing samples for distribution to potential off-take partners in Europe and Asia.

On 28 August 2015, Bacanora Canada announced that it had finalised a conditional long-term lithium hydroxide supply agreement. Bacanora Canada will continue to develop a number of strategic relationships with international lithium trading companies and mining companies for the sale of its lithium products, in addition to the conditional supply agreement previously announced.

A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:

The Directors of Bacanora Lithium plc have no reason to believe that the working capital available to the Bacanora Group will be insufficient for its present requirements and for at least 12 months from the date of Admission.

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:

None

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:

The Company's ordinary shares may be settled in CREST.

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

www.bacanoraminerals.com

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT

WHICH IS NOT CURRENTLY PUBLIC:

Please refer to the Appendix to the Schedule 1 announcement available on Bacanora Canada's website (www.bacanoraminerals.com) for the following details:

- Reasoning behind the re-domicile to the UK and the key steps required
- Application of the City Code on Takeovers and Mergers
- A comparison between Canadian and UK corporation and tax law
- Updated risk factors
- Directors' and other interests

The Appendix includes a summary of the memorandum and articles of association of Bacanora Lithium.

The Appendix also contains updated details on the Company's mining concessions.

Sonora Lithium Project:

Concession Name	Title #	Record Date	Expiry Date	Area (Ha)
100 % interest owned by Bacanora Minerals				
La Ventana	235611	01/22/2010	01/21/2060	875
La Ventana 1	243127	07/10/2014	07/07/2064	945
70% interest owned by Bacanora Minerals				
El Sauz	235614	01/22/2010	01/21/2060	1,025
Fleur	243132	07/10/2014	07/07/2064	2,334
El Sauz 1	244345	08/11/2015	08/10/2065	200
El Sauz 2	243029	05/30/2014	05/29/2064	1,144
Fleur 1	243133	07/10/2014	07/07/2064	1,630
Buenavista	235613	01/22/2010	01/21/2060	649
Megalit	Approved for Title	11/07/2013	n/a	87,085
San Gabriel	235816	03/12/2010	03/11/2060	1,500

Magdalena Borate Project:

Concession Name	Title #	Record Date	Expiry Date	Area (Ha)
San Francisco No. 1	243913	08/13/2002	08/12/2052	552
San Francisco No. 2	243956	09/18/2002	09/17/2052	370
San Francisco No. 3	243955	09/18/2002	09/17/2052	108
San Francisco Fraction 1	226247	05/17/2005	05/16/205	2,344
San Francisco Fraction 2	243888	05/17/2052	05/16/2052	860
El Represo	243919	04/12/2007	04/11/2057	1,200
El Represo 1	238106	07/13/2011	07/19/2061	382
El Represo 2	240129	04/13/2012	04/12/2062	1,288

The Arrangement

For the Arrangement to be approved by shareholders in Bacanora Canada ("Bacanora Canada Shareholders"), Bacanora Canada Shareholders holding not less than two-thirds of the voting rights of Bacanora Canada, and who are present and voting either in person or by proxy, must vote in favour of the Arrangement at a general meeting. This approval will also fulfil TSX-V requirements to obtain the approval of a simple majority of Bacanora Canada Shareholders. The sanction of the court is also required for the Arrangement to become effective.

The last day of dealings in the Bacanora Canada common shares before completion of the Arrangement is expected to be on 16 August 2016. The last day for registration of transfers of the Common Shares and DIs before completion of the Arrangement is expected to be on 16 August 2016.

These dates may be deferred if there is any delay in obtaining approval of the Arrangement and/or the re-admission to AIM.

Accordingly, immediately upon the Arrangement becoming effective, a Bacanora Canada Shareholder will have the same proportionate interest in the profits, net assets and dividends of the Company as they have in Bacanora Canada immediately prior to the completion of the Arrangement. The Bacanora Canada Group will have the same business and operations immediately after the Effective Date as it had immediately before the Effective Date. The assets and liabilities of the Bacanora Group immediately after the

Effective Date will not differ materially from the assets and liabilities the Bacanora Canada Group had before the Effective Date, save that Bacanora Lithium will hold all of the common shares then in issue in Bacanora Canada.

Admission

Application will be made to the London Stock Exchange for the Ordinary Shares in Bacanora Lithium to be admitted to trading on AIM and dealings in Bacanora Lithium Shares are expected to commence on 17 August 2016. The ISIN of the Bacanora Lithium Shares will be GB00BD20C246. The AIM symbol will remain as BCN.

The cancellation of trading on AIM and on TSX-V of the Bacanora Canada common shares is expected to take place on 17 August 2016.

Settlement

Bacanora Canada Shareholders who hold their shares in certificated form or through the Canadian Depositary for Securities Limited

Enclosed with the circular being sent to Bacanora Canada shareholders setting out details of the proposed Arrangement is a letter of transmittal ("Letter of Transmittal") which is being delivered to all registered holders of Bacanora Canada Shares. The Letter of Transmittal, when validly completed and duly executed and returned with the certificate or certificates representing the holder's Bacanora Canada Shares and any other required documents, will enable the holder to receive one Bacanora Lithium Share for each Bacanora Canada Share held.

Bacanora Lithium Shares will be issued as soon as practicable after the Effective Date and, if in certificated form, will be forwarded to the Bacanora Canada Shareholder at the address specified by the Bacanora Canada Shareholder in the Letter of Transmittal by prepaid postage, first class mail, or be made available for pick-up at the office of the depositary where the Bacanora Canada Shares were deposited by the Bacanora Canada Shareholder, if so requested in the Letter of Transmittal.

Non-registered holders of Bacanora Canada Shares

Non-registered holders of Bacanora Canada Shares should contact the intermediary (e.g. bank, trust company, securities dealer or broker and a trustee or administrator of a self-administered registered savings plan, registered retirement income fund, registered education savings plan or similar plans or other registered holder) who holds their Bacanora Canada Shares on their behalf to arrange for the exchange of their Bacanora Canada Shares.

Bacanora Canada will issue a news release following the Bacanora Canada Shareholder meeting to confirm whether the Bacanora Canada Shareholders have approved the Arrangement. Bacanora Canada Shareholders will not receive the Bacanora Lithium Shares to which they are entitled under the Arrangement unless they deposit with the depositary a validly completed and duly executed Letter of Transmittal prior to the required deadline set out in the Letter of Transmittal together with the certificates representing their Bacanora Canada Shares and such other documents as may be required. In the event that the Arrangement is not approved by Bacanora Canada Shareholders at the Bacanora Canada Shareholder meeting, all Bacanora Canada Shares previously deposited with the depositary will be returned to Bacanora Canada Shareholders.

Definitive share certificates for the new Bacanora Lithium Shares of Bacanora Canada Shareholders who held their Bacanora Canada Shares in certificated form are expected to be despatched within 14 days of the Effective Date or within 14 days of the receipt of the Letter of Transmittal plus accompanying Bacanora Canada Share certificates (whichever the later). In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register of members. All certificates will be sent by first class post at the risk of the person entitled thereto.

Bacanora Canada Shareholders who hold their shares in CREST

Depositary interests representing Bacanora Canada Shares held in uncertificated form in CREST will be disabled in CREST on the Effective Date. Bacanora Canada Shareholders who hold their shares in CREST are not required to complete and return the Letter of Transmittal.

For Bacanora Canada Shareholders who hold their Depositary interests representing Bacanora Canada Shares in a CREST account, Bacanora Lithium Shares are expected to be credited to the relevant CREST accounts on 17 August 2016. CREST is a paperless

settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Bacanora Lithium Shares under the CREST system. The Directors will apply for the Bacanora Lithium Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Bacanora Lithium Shares following Admission may take place within the CREST system. CREST is a voluntary system and holders of Bacanora Lithium Shares who wish to receive and retain share certificates will be able to do so.

Directors

If the Arrangement is implemented, Shane Shircliff, non-executive director of Bacanora Canada, will step down from the Bacanora Canada Board and will not join the Bacanora Lithium Board. Apart from Mr Shircliff, all the current Bacanora Canada directors will become directors of Bacanora Lithium.

Details of Directors' other directorships are as follows:

Name	Current directorships/ partnerships	Past directorships/ partnerships
Colin Orr Ewing	Bacanora Minerals Ltd	Cambria Africa PLC Cordillera Resources PLC Madagascar Oil Ltd Tubutama Ltd Vatukoula Gold Mines PLC
Martin Fernando Vidal Torres	Bacanora Minerals Ltd Minerales Industriales Tubutama SA de CV Minera Sonora Borax SA de CV Mexilit SA de CV Minera Megalit SA de CV Grupo Omelas Vidal S.A de C.V.	
Derek Batorowski	Bacanora Minerals Ltd Blacksteel Energy Inc	Westcore Energy Ltd Tembo Gold Corp. (formerly Lakota Resources Inc.)
Mark Hohnen	Bacanora Minerals Ltd Boss Resources Ltd Australian Insurance Exchange Ltd Cedarvale Investments Pty Ltd Craton Diamonds (Propriety) Limited Ferman Pty Ltd Gnarabup Beach Pty Ltd Halsbrook Holdings Pty Ltd Harley (WA) Pty Ltd Salt Lake Potash Ltd Peak Coal Pty Ltd The Mines (WA) Pty Ltd Vynben Custodian Pty Ltd Vynben Custodian No. 2 Pty Ltd Kumla Pty Ltd	Pretorian Resources Ltd Hohnen Investments Pty Ltd Coronet Resources Pty Ltd Oakhampton Pty Ltd North River Resources Mawson West Limited Mtemi Resources Kalahari Minerals PLC Extract Resources Swakop Uranium Pty
James Leahy	Bacanora Minerals Ltd Geiger Counter Ltd Fine and Dandy Musicals Ltd	Forte Energy NL Mineral Commodities Ltd Bellzone Mining PLC Continental Coal Ltd OPI International Alberta Coal Ltd African Power Corp Ltd Skinners' Almhouse Charity Mirabaud Securities Anglo-South African Company Ltd Light Shearwater LLP
Kiran Morzaria	Bacanora Minerals Ltd	Lonrho Ltd

Rare Earth Minerals Plc	Vatukoula Gold Mines Plc
European Metals Holdings Ltd	API technology (UK) Ltd
UK Oil & Gas Investments PLC	Immersion Technology
Built Intelligence Ltd	Property Ltd
Academy Minerals Ltd	Travelwelcome Ltd
	Horse Hill Developments Ltd
	Solo Oil PLC
	River Diamonds UK Ltd
	Panguma Diamonds Ltd
	Viso Gero International Inc.
	Vatukoula Finance Pty Ltd
	Vatukoula Gold Pty Ltd
	Vatukoula Australia Pty Ltd
	Vatukoula Gold Mines Ltd
	Solo Oil (Argentina) Ltd
	Tubutama Borax PLC
	Tubutama Ltd

General

The costs, charges and expenses payable by the Company in connection with or incidental to the Arrangement and Admission, including registration and stock exchange fees, legal and accounting fees and expenses, are estimated to amount to £500,000, excluding any VAT applicable thereon.

A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:

www.bacanoraminerals.com

THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:

None

This information is provided by RNS
The company news service from the London Stock Exchange

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