

## **ORR-EWING ESTATE LEGAL ACTION AGAINST BACANORA MINERALS**

LONDON, 20<sup>th</sup> NOVEMBER 2017 – The estate of the late Hon. Ian Colin Orr-Ewing (the “Estate”) has served Bacanora Minerals Ltd (“Bacanora” - AIM: BCN, TSXV: BCN) with legal proceedings that were issued in the English Commercial Court on 20<sup>th</sup> September 2017. The Estate currently owns 8.15% of the common shares outstanding in Bacanora and holds 3% Gross Overriding Royalties over Bacanora’s Sonora Lithium Project in Mexico (the “Royalty”) and Magdalena Borates Project in Mexico.

The Estate notes Bacanora’s Corporate Update, dated 20<sup>th</sup> November 2017, detailing that it has filed in the Court of Queen’s Bench (Alberta), Canada. The Estate has already both filed proceedings in the English Commercial Court on 20<sup>th</sup> September 2017 and served those proceedings on Bacanora on 17<sup>th</sup> November 2017. The Estate has no knowledge of Bacanora’s filing beyond their announcement made today.

Bacanora’s legal counsel was informed of service by the Estate’s legal counsel (in respect of the ongoing English proceedings) on 17<sup>th</sup> November 2017.

Bacanora is disputing the validity and enforceability of the Gross Overriding Royalty Agreement, pursuant to which Mr Orr-Ewing was entitled to a 3% Gross Overriding Royalty with respect to the Sonora Lithium Project (the “Royalty Agreement”), and had previously threatened to issue proceedings in Canada, alleging a wholly unmeritorious claim for fraudulent misrepresentation.

The Estate contests this allegation in the strongest possible terms and regrets that it must now serve legal proceedings to preserve its rights under the Royalty Agreement and ensure that the good name of Mr Orr-Ewing is maintained.

This action comes as a result of months of protracted correspondence between the Estate, Bacanora and its legal counsel. The Estate makes the following points:

- Bacanora has made several offers to the Estate in the past 18 months to acquire a proportion of the Royalty;
- Each of the Bacanora offers was reviewed extensively by the Estate’s advisers, detailed negotiations with Bacanora were entered into, and the Bacanora offers were deemed to be for insufficient consideration and were accordingly declined by the Estate; and
- Subsequent to its last offer being declined, Bacanora informed the Estate in writing that it disputed the validity of the Royalty and that Bacanora’s board was investigating the circumstances surrounding its grant to Mr Orr-Ewing.

For the avoidance of doubt, the validity and existence of the Royalty has correctly been the subject of numerous public disclosures pursuant to Bacanora’s continuing obligations as a public company listed on both the AIM and TSX-V markets.

The Estate has repeatedly asked Bacanora and its legal counsel to justify its reasons for questioning the validity of the Royalty but has not received any sufficient, reasoned or logical explanation. The filed Canadian proceedings have not, however, been served on the Estate.

The Estate regrets that court proceedings have proved necessary but now looks forward to the issue of the Royalty being resolved by the High Court.

The Estate, advised generally by Laytons LLP, has appointed Mayer Brown International LLP as its litigation counsel (in respect of the ongoing English proceedings). Medea Capital Partners Ltd continues to act as investment adviser to the Estate and its beneficiaries.

**\*\*\*ENDS\*\*\***

For further information, please contact Medea Capital Partners Ltd:

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