



Southern Lithium Corp.
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Southern Lithium Corp. (TSX-V: SNL) Announces Letter of Intent with Millennial Lithium (TSX-V: ML) to Acquire the Cruz Property in Argentina

November 3, 2016, Vancouver, B.C. – Southern Lithium Corp. (the “**Company**”) (TSX-V: SNL) is pleased to announce that it has entered into a letter of intent (the “LOI”) with Proyecto Pastos Grandes S.A. (“PPG SA”), a wholly owned subsidiary of Millennial Lithium (TSX-V: ML), to be granted an option to acquire an eighty percent (80%) interest in the PPG SA’s Cruz property in the Pocitos salar basin in Salta Province, Argentina. The transaction remains subject to certain conditions, including the negotiation and execution of a formal option agreement (a “Definitive Agreement”) and the Company obtaining all necessary approvals from the TSX Venture Exchange.

The terms of the LOI:

The LOI has an effective date of November 2nd, 2016 and requires PPG SA and the Company to enter into the Definitive Agreement by November 10, 2016.

For the Company to acquire a seventy percent (70%) interest in the Cruz Property, the Company must:

- a) Pay a non-refundable deposit of US\$150,000 to PPG SA. This payment has already been completed.
- b) Pay an additional US\$50,000 non-refundable deposit to PPG SA upon the execution of the Definitive Agreement.
- c) Issue US\$100,000 worth of common shares of Southern Lithium to PPG SA or Millennial at the same price as the announced private placement offering, upon closing of the Definitive Agreement.
- d) On closing of the first tranche of the Private Placement or November 18, 2016 (whichever is earlier) place in a joint exploration account the sum of US\$500,000 (the “Exploration Funds”).
- e) Make US\$500,000 of exploration expenditures (the “Exploration Expenditures”) on or before October 1, 2017
- f) Pay to PPG SA the sum of US\$1,000,000 on or before October 1, 2017; and
- g) Pay to PPG SA the sum of US\$1,000,000 on or before October 1, 2018.

((a)-(g) being, collectively, the “Option Exercise Price”).

To earn the additional 10% interest (for an aggregate total 80% interest) in the Property, the Company must, prior to that date which is 6 months after the third anniversary of the Definitive Agreement, complete a bankable feasibility study on the Property.

PPG SA will also grant the Company with a right of first of refusal over any mineral properties it acquires ground contiguous to the Cruz Property, and the Company will agree not to acquire any mineral interests within a 10km radius from the Cruz Property.

The LOI is subject to approval by the TSX Venture Exchange.

Southern Lithium's intends to increase the previously announced \$1.4 million private placement (see news dated November 1, 2016) by an additional \$600,000. The company will now complete a private placement for \$2-million by issuing 8 million units at 25 cents per unit. Each unit consists of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at 35 cents per share for a period of 18 months following the closing of the private placement. Should the majority of the trading volume of the company exceed 50 cents per share for 10 consecutive trading days subsequent to expiry of the hold period on the shares, the company may, within five days of such event, provide notice by way of news release of early expire, in this event the warrants will expire 30 days from the date of such news release. A finder's fee of 8% cash and 8% broker warrants will be payable on portions of the financing.

About the Cruz Property:

The Cruz property spans across 2,500 hectares and lies at the north end of the Pocitos salar basin. The Cruz property is located at the intersection of a large north-south fault system and a regional northwest-trending magmatic-structural corridor along which the Rincon volcano lies. Rincon Volcano is the possible source of the Rincon Salar lithium brine resources in the Rincon salar basin to the north of the Pocitos Salar basin.

The 60-kilometer long Pocitos basin has been subject to surface sampling previously; however, it has only been drilled once in the 1970s by a government agency. To date, this is the only confirmed exploration drilling performed and the results of this drilling operation cannot be confirmed under NI 43-101 standards of exploration applicable today.

This single shallow drill hole and subsequent surface sampling by various groups has resulted in the identification of lithium at relatively significant concentrations. The more recent sampling campaigns by PPG SA tend to be consistent and even indicate higher levels of lithium. These findings tend to be consistent with the possibility that the faults are conduits for lithium-bearing fluids emitted by the northern volcanic center.

The Cruz property is adjacent to a large area of the Pocitos salar basin expected to be put out for tender by Salta Province's wholly-owned energy and mineral company. Through the potential acquisition of the Cruz property, Southern Lithium hopes to establish its presence in the Pocitos salar basin and further deliver on its mission to secure strategic lithium mining projects.

Southern Lithium's president Larry Segerstrom commented, "We are excited with the opportunity to further diversify our company. This diversification positions us within South America's lithium triangle and in my opinion increases our potential to make a major discovery."

Lawrence Segerstrom, M.Sc. (Geology), P.Geo., A Director of the Company, is a Qualified Person as defined by National Instrument 43-101 ("NI 43-101") and has reviewed and approved the contents of this news release.

For more information, contact the Company at +1 (416) 918-6785.

On behalf of the Board of Directors of Southern Lithium Corp.

David Alexander

Chief Financial Officer

Further information about the Company is available on our website at www.southernlithiumcorp.com or under our profile on SEDAR at www.sedar.com.

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About Southern Lithium Exploration

Southern Lithium Corp. is a resource exploration company engaged in the business of acquiring and exploring minerals properties. Southern Lithium Corp. has managed to assemble an experienced management team with a growth strategy to develop a diversified portfolio of projects. The Company's main objective is to add shareholder value through exploration and development of high quality resources through strategic acquisitions, joint ventures, and marketing while maintaining a lower risk profile through project diversification and sound, cost-effective financial management.

Neither 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.

Forward-Looking Statements:

Some of the statements in this news release contain forward-looking information that involves inherent risk and uncertainty affecting the business of the Company. Actual results may differ materially from those currently anticipated in such statements.