

Southern Lithium Provides Updates and Additional Information on the Cruz Property

December 1, 2016, Vancouver, B.C. – Southern Lithium Corp. (the “**Company**”) (TSX-V: SNL FSE: SL5) On November 17th, 2016, Southern Lithium announced that it has executed a formal option agreement (a “Definitive Agreement”) 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 terms of the Definitive Agreement:

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

1. Pay a non-refundable deposit of US\$150,000 to PPG SA. This payment has already been completed.
2. Pay an additional US\$50,000 non-refundable deposit to PPG SA upon the execution of the Definitive Agreement. This payment has been made.
3. Issue 540,000 common shares of Southern Lithium to PPG SA or Millennial at a deemed price of \$0.25 CDN subject to exchange approval.
4. On closing of the first tranche of the Private Placement or November 30, 2016 (whichever is earlier) place in a joint exploration account the sum of US\$500,000 (the “Exploration Funds”).
5. Spend the Exploration Funds of US\$500,000 lithium mineral resources exploration activities on the Cruz Property on or before October 1, 2017
6. Pay to PPG SA the sum of US\$1,000,000 on or before October 1, 2017; and
7. Pay to PPG SA the sum of US\$1,000,000 on or before October 1, 2018.

(1.- 7. 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.

The transaction is subject to TSX Venture Exchange approval.

Additional Information and Updates on the Cruz Property

The Cruz property is located within South America’s Lithium Triangle (northern Chile, northwestern Argentina and southwest Bolivia). It encompasses 2,500 hectares at the north end of the Pocitos salar basin in Salta Province, Argentina, and 11 kilometers south of Ady Resources’ Salar del Rincón operation, the only lithium producer in the province.

Ady Resources, subsidiary of Enirgi Group, announced on July 7, 2016, “Positive Results of Definitive Feasibility Study for Salar Del Rincon Lithium Project”.

The key findings of this definitive feasibility study are found in the table below:

Mineral Reserve and Resource Estimates	
<i>Probable Reserves</i>	1.2 million tonnes Lithium Carbonate Equivalent ("LCE")
<i>Measured and Indicated Resources</i>	3.5 million tonnes LCE
<i>Inferred Resources</i>	4.8 million tonnes LCE
Capital Expenditure	
<i>Initial net capital expenditure</i>	\$720.1 million (including 8.62% contingency)
Project Economics	
<i>Ungeared After-tax 9% NPV</i>	\$1.36 billion
<i>Ungeared After-tax IRR</i>	30.80%
<i>Payback period</i>	4.13 years from start of commercial production
Mine Production	
<i>Life of Mine</i>	24.5 years
<i>Average annual production</i>	50,000 tonnes LCE per annum
<i>Total cash operating cost</i>	\$2,070 per tonne LCE for life of mine

(<http://www.marketwired.com/press-release/enirgi-group-announces-positive-results-definitive-feasibility-study-salar-del-rincon-2140673.htm>)

Ady Resources' property in the Salar Del Rincon basin is separated from the Pocitos salar basin by a small cluster of source volcanoes; both salars represent the northern and southern parts of the same tectonic depression and have similar geology geologic characteristics.



The 60-kilometer long Pócitos salar basin has only been drill tested by 12 shallow holes in 1979 by an Argentinian government agency, the “Dirección General de Fabricaciones Militares”. The best hole is the closest to the Cruz property, only 1 km southeast of the property boundary, and averaged 417 parts per million lithium. The results of these holes and the sampling cannot be confirmed under NI 43-101 standards of exploration applicable today. In 2010, Li3 Energy, Inc., announced the results of 46 brine samples taken from just below the surface of the salar, with brine assays ranging from 300 ppm to 600 ppm lithium. These samples were taken immediately south of the Cruz property.

<http://www.rohstoff-welt.de/aktien/snapshot.php?nachrichten=1&mid=1229&sid=1030&lang=en>.

As a result of the potential acquisition of the Cruz property, Southern Lithium hopes to establish its presence in the Pócitos basin and further deliver on its mission to secure strategic lithium projects. The Company is only interested in projects of the highest technical merit in favorable geopolitical jurisdictions. Southern Lithium’s president Larry Segerstrom commented, “The apparent geologic similarities between the Cruz Property and the Ady Resources mining site

substantially increase my optimism in Southern Lithium's probability of success in the Cruz Property that will hopefully be a driver of value for our shareholders."

Larry 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.

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.

On behalf of the Board of Directors,

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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