



PRESS RELEASE

January 17, 2017

Southern Lithium Corp. Executes Formal Definitive Agreement to Earn 100% Interest in the East Fault Property, Nevada

VANCOUVER, Canada – **Southern Lithium Corp.** (TSX-V: SNL FSE: SL5) ("**Southern**" or "**the Company**") is pleased to announce that, further to the previous news releases dated July 11th 2016 and November 1st 2016, it has entered into a formal Definitive agreement ("**Agreement**") with TY & Sons Explorations (Nevada) Inc. ("**TY & Sons**" or the "**Optionor**") dated January 16, 2016, to complete Southern's acquisition of TY & Sons option (the "**Option**") of the 100% interest in TY & Sons' rights, title and interest in the mineral claims known as the East Fault Property, located in Esmeralda County, Nevada, USA (the "**Property**").

Under the terms of the agreements, the Option will be exercisable by the Company making cash payments and by way of common shares in the capital of the Company as follows:

- 1) Subject to a two-and-one-half percent (2.5%) net smelter returns royalty on commercial production from the Mineral Claims (the "**Underlying Royalty**") in favour of the Property Owner;
- 2) \$50,000 to the Optionor, which amount has already been paid and the Optionor acknowledges receipt of;
- 3) Completing the issuance of 3,000,000 fully-paid and non-assessable common shares in the capital of the Company (the "**Consideration Shares**"), as follows:
 - i. 300,000 Consideration Shares to the Property Owner, on or before the date which is 30 days of the Closing Date; and
 - ii. 2,700,000 Consideration Shares, to the Optionor, on or before the date which is 30 days of the Closing Date.

The Optionor acknowledges that the Consideration Shares will be subject to such resale restrictions and hold periods imposed by National Instrument 45-102, and the rules and policies of the TSX Venture Exchange.

The completion of the Transaction, and the issuance of the Consideration Shares, is conditional upon receipt of the TSX Venture Exchange Approval. In the event the Exchange Approval is not received on or before June 30, 2017, this Option will terminate.

About the East Fault Property

The East Fault Property is a 1,112-acre (450 hectare) property that is strategically positioned along 11 kilometers (7 miles) of the East Fault. The Property lies to the south of Albemarle's lithium brine mine and adjoins the eastern border of Pure Energy's Clayton Valley property which has an inferred resource of 816,000 metric tonnes of lithium carbonate equivalent (See Pure Energy NI 43-101 Technical Report, July

17, 2015). Note that this disclosure of Pure Energy's resource does not imply that the Company could obtain similar results from its Property.

About Southern Lithium Corp (TSX-V: SNL FSE: SL5)

Southern Lithium Corp. is a resource exploration company engaged in the business of acquiring and exploring minerals properties. Southern Lithium Corp. has assembled an experienced management team with a growth strategy to develop portfolio of Lithium 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. With the potential acquisition of the Cruz property, Southern Lithium intends to establish its presence in the Pocitos basin and further deliver on its mission to secure technically superior lithium projects. The Company is only focusing on projects of the highest technical merit in favorable geopolitical jurisdictions.

Qualified Persons

The scientific and technical information contained in this news release has been reviewed and approved by Larry Segerstrom, M.Sc. (Geology), P.Geo., a Director of the Company, who is a "Qualified Person" as such term is defined under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects ("NI 43-101")*.

ON BEHALF OF THE BOARD OF DIRECTORS

"David Alexander"

Chief Financial Officer

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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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This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within it, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements, other than as required pursuant to applicable securities laws.