

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 12, 2016) - [Scientific Metals Corp.](#) ("STM" or the "Company") (TSX VENTURE:STM) is pleased to announce that it has entered into an arm's length agreement with a private company to acquire the Deep Valley Lithium Property (the "Property") which is located in the Fox Creek - Sturgeon Lake area of west-central Alberta. The Property encompasses 6,648 ha (16,427 acres) and is located approximately 55 km due west of the community of Fox Creek.

The Property is underlain by Leduc Formation aquifers that are known to be highly enriched in lithium, potassium, boron, bromine and other commodities. Within the central part of the Property, historic samples of formation waters (brines) have returned 140 mg/L (ppm), which are amongst the highest values recorded within the Province of Alberta as reported by the ERCB in its report of October 2011 entitled "Geological Introduction to Lithium-Rich Formation Water with Emphasis on the Fox Creek Area of West-Central Alberta (NTS 83F and 83K)".

Commonly, during the early history of oil wells in the area, there is a high oil-to-water extraction ratio. However, at present, most wells produce excessive amounts of formation water in comparison to petroleum. The formation water is treated as a waste product during the petroleum extraction process, after which the brine is re-injected into the subsurface. The level of extractability of lithium and other elements from the waste formation water is unclear and may require new technologies (some of which are being introduced and tested in Nevada brines). This may or may not result in the extraction of all or any portion of those elements which are present in anomalous concentrations.

Michelle Gahagan, President of STM, comments "We are pleased to acquire a project with some of the highest known lithium in formation waters within Alberta. The project area is surrounded by several other explorers with projects that range from early stage exploration (such as [MGX Minerals Inc.](#)) to those with reported resources such as Canadian International Minerals Inc. This emerging Canadian lithium camp could potentially play an important role in supplying high-demand materials for the emerging green energy market. The entry into Alberta provides the Company and our shareholders a chance to explore for lithium in a cost effective manner. Testing brines from existing wells with the potential to produce from these existing wells would eliminate much of the cost centers associated with traditional exploration methods in other basins. We look forward to providing updates on our exploration plans."

The terms of the proposed transaction are as follows: STM shall acquire a 100% interest in the Property in consideration for a cash payment of \$15,000 and the issuance of 4,000,000 common shares of the Company. An existing 3% net smelter royalty shall remain on the Property, of which 1% can be repurchased by the Company at any time in consideration for a cash payment of \$1,500,000. An arm's length finder's fee is payable in connection with the transaction in the amount equal to \$38,625, such finder's fee to be satisfied on the closing date by the issuance of 38,625 common shares of the Company at a deemed price of \$0.10 per share.

The completion of the acquisition of the Property is subject to a number of conditions precedent including, without limitation, the parties having received all necessary regulatory, court and third party consents, orders (both interim and final), approvals, waivers and authorizations as may be required in respect of the acquisition (including the approval of the TSX Venture Exchange). In addition, each party shall have completed their due diligence of the other party to their satisfaction including, without limitation, STM being satisfied that it will acquire good and valid title to the Property, free and clear of any and all liabilities and encumbrances.

Mr. Garry Clark, P. Geo., of Clark Exploration Consulting, is the "qualified person" as defined in NI 43-101, who has reviewed and approved the technical content in this press release.

Reader Advisory

This press release should not be considered a comprehensive summary of the terms of the acquisition described above. Additional information may be required by the TSX Venture Exchange and may be disseminated at a future date following a satisfactory review by the TSX Venture Exchange.

Completion of the acquisition is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance. The acquisition cannot close until the required approvals are obtained. There can be no assurance that the acquisition will be completed as proposed or at all.

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this press release includes, but is not limited to, statements with respect to timing and completion of the acquisition and the completion of the conditions precedent to the acquisition (including receipt of TSX Venture Exchange approval). Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada and globally; industry conditions, including governmental regulation and environmental regulation; failure to obtain industry partner and other third party consents and approvals, if and when required; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; liabilities inherent in water disposal facility operations; competition for, among other things, skilled personnel and supplies; incorrect assessments of the value of acquisitions; geological, technical, processing and transportation problems; changes in tax laws and incentive programs; failure to realize the anticipated benefits of acquisitions and dispositions; and the other factors. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

The TSX Venture Exchange has in no way passed upon the merits of the proposed acquisition and has neither approved nor disapproved the contents of this press release.

Neither the 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.

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