VANCOUVER, BRITISH COLUMBIA--(Marketwired - July 26, 2016) - Scientific Metals Corp. ("STM" or the "Company") (TSX VENTURE:STM)(FRANKFURT:26X)(OTCQB:SCTFF) is pleased to announce that it has entered into an arm's length letter agreement with a private company providing STM with exclusive rights to enter into a lease agreement with an option to acquire a 100% interest in the Iron Creek Cobalt Property in Lemhi County, Idaho, USA (the "Property"). The Property is located about 25 miles southwest from Salmon, Idaho and encompasses 137 acres in seven patented lode mining claims. The Company is currently staking unpatented lode mining claims to enlarge the Property to cover a minimum of 1,300 acres.

A substantial amount of historical exploratory work has been completed on the Property, including approximately 30,000 feet of diamond drilling, and the mining of 1,500 feet of underground workings. Exploration by several companies since the 1940s, including Hanna Mining, Noranda Exploration, Inc. and Cominco, has identified a number of significant cobalt, a key component in Lithium-ion batteries, and copper targets on the Property. The Property is located in the most prolific trend of cobalt mineralization in the USA, the Idaho Cobalt Belt. The Property shares similar geology and structure with other deposits in the 40 mile long Idaho Cobalt Belt, including the Blackbird Mine and the proposed Idaho Cobalt Mine (Formation Metals).

The earliest historical estimates of the mineralized zones at the Property are contained in the historical literature describing two underground targets in the No Name Zone. The first lense is described by Noranda Exploration, Inc.as a "possible reserve" and is reported to contain 1,050,000 tons grading 0.61% cobalt over a strike length of 750 feet. The second lense is described as a "possible reserve" and is reported to contain 229,000 tons grading 0.48% cobalt over a strike length of 600 feet. Together, these lenses contain 1,279,000 tons grading an average of 0.59% cobalt. Copper grades were not calculated by Noranda and are stated to be "generally less than or equivalent to cobalt grades". (reference: "Iron Creek Prospect, Lemhi County, Idaho (#0483) Progress Report" by Terry A Webster and Thomas K Stump for Noranda Exploration, Inc., July 1980 (the "Noranda Report")). These lenses have excellent potential for expansion.

The Noranda Report notes the following outstanding cobalt intercepts within the mineralized lenses. Drill hole IC-16 contains a 15 foot wide horizon averaging 1.01 percent cobalt, and within the Little No Name adit a 20 foot wide channel sample contains an average of 0.95 percent cobalt. The Noranda Report also notes that "these data do not affect the presence of an additional 4.5 to 4.8 million tons of copper reserves grading in excess of 1.5 percent copper".

STM's President, Brian Kirwin, stated "The signing of this letter agreement is an exciting step for STM. The addition of a high grade cobalt asset to our growing lithium portfolio allows STM to strategically position the company to supply modern battery manufacturers with much needed metals. The Iron Creek Cobalt Property is an excellent opportunity with significant cobalt mineralization and substantial upside potential already identified. We look forward to bringing this property forward towards production. I encourage you to view a short movie about cobalt at https://youtu.be/TeHmUjCWovo.

Under the terms of the letter agreement, STM shall pay to the vendor the sum of US$45,000 upon signing of the lease agreement and the vendor shall retain a 4% net smelter return ("NSR") in the Property. STM shall pay the vendor advance royalty payments on the NSR of US$3,000 per month for the first two years of the lease agreement, increasing to US$4,000 per month for the subsequent two years, and US$5,000 per month for subsequent years. At any time during the term of the lease, STM shall have the right to purchase a 100% interest in the Property and reduce the NSR held by the vendor from 4% to 1%, all for consideration of a cash payment US$1,500,000. The NSR may subsequently be purchased by STM for a cash payment of US$500,000 for every 1% NSR elected to be acquired by STM. In connection with this transaction, a cash finder's fee shall be payable to an arm's length party in accordance with the policies of the TSX Venture Exchange.

The historical tonnage and grade estimates for the Property quoted above do not follow the required disclosure for reserves and resources within the CIM Definition Standards on Mineral Resources and Mineral Reserves as outlined in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101"). They were prepared in the 1980s prior to the adoption and implementation of NI 43-101 and are historic estimates. The historic resource figures generated by Noranda have not been redefined to conform to the CIM Definition Standards as provided for in NI 43-101. The Noranda Report does not detail cut-off grades and metal prices used to estimate the historical mineralisation and used a tonnage factor of 11 cubic feet per ton. Such source data is noted to be non-compliant. In addition, the potential quantity and grade is conceptual in nature, and there has been insufficient exploration (drill hole spacing is "over 200 feet") to define a NI 43-101 compliant resource estimate and it is uncertain if further exploration will result in the deposits being delineated as a NI 43-101 compliant resource. Investors are cautioned that the historical estimates do not mean or imply that economic deposits exist on the Property and the historical estimates should not necessarily be relied on. A qualified person has not done sufficient work to classify the historical estimates as current mineral resources and the Company is not treating the historical estimates as current mineral resources. More work, including, but not limited to, drilling, will be required to conform the estimates to compliant categories in accordance with CIM Definition Standards as provided for in NI 43-101.

While not compliant with NI 43-101 disclosure requirements, management of the Company believes that the historical estimates are reliable in the sense that the authors were experts, using industry standard procedures at the time. The historical estimates are relevant to the Company's planned exploration program because they identify significant mineralization that will be the target of this exploration program.

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.

The Company is also pleased to announce that its common shares have commenced trading on the OTCQB Marketplace under the symbol "SCTFF". The Company's common shares will continue to trade on the TSX Venture Exchange under the symbol "STM". The Company expects to benefit from being listed on the OTCQB by gaining greater exposure and liquidity in the United States, where the Property is located.

About The Company

STM is a Canadian-based exploration company focused on the acquisition and development of production grade lithium deposits worldwide. STM has acquired the Deep Valley property located in west-central Alberta. This property consists of a 6,648 ha (16,427 acres) permit that encompasses an area of reported enrichment of lithium brines. The Deep Valley property is located in the active Fox Creek - Sturgeon Lake area of Alberta, where formation waters within Leduc aquifers are highly enriched in lithium, potassium, boron, bromine and other commodities, as stated 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).

*Reader Advisory*

*This press release should not be considered a comprehensive summary of the terms of the proposed transactions 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.*

*The Company has not undertaken any independent investigation of the historical exploration or other information contained in this press release nor has it independently analyzed the results of the previous exploration work in order to verify the accuracy of the information. The historical estimates were not prepared in accordance with the requirements of NI 43-101. The Company believes that the historical exploration and other information contained in this press release are relevant to continuing exploration on the Property.*

*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 entering into a lease agreement with the vendor of the Property and future exploration work on the Property. 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.*

*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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