

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 26, 2016) - [Scientific Metals Corp.](#) ("STM" or the "Company") (TSX VENTURE:STM)(FRANKFURT:26X)(OTCQB:SCTFF) is pleased to announce it has entered into an arm's length standstill agreement which provides STM exclusive negotiating rights to purchase a 100% interest in two prospective lithium brine projects (the "Properties") in Northwest Argentina.

The Properties surround areas of salar (dry lake beds) hosting brines that are reportedly enriched with lithium and potassium in the province of Catamarca, Argentina. The Properties cover 1,467 hectares in Salar del Condor and 337 hectares in Pucara Del Salar at an average altitude of 13,200 feet above sea level. The Properties benefit from an extensive regional database that includes sampling of surface waters and drill hole brines, geological and geomorphological mapping, and analysis of lithium and potassium grade distribution throughout the Salar De Hombre Muerto, a large producing salar which lies contiguous to the two properties.

The Properties are situated within the prolific South American Lithium Triangle - a region that is host to the world's largest lithium brine deposits and globally significant lithium production. The Properties are located on the western border of the Salar de Hombre Muerto, home to FMC Corp., one of the largest lithium producers in South America. Other active development and exploration companies within the region include Lithium X, Galaxy Resources, Lithium Americas, Orocobre and Millennial Lithium.

STM's president, Brian Kirwin, stated, "The standstill agreement is an exciting step for STM as we explore opportunities in lithium bearing salars of South America. Andean Lithium Triangle producers currently account for approximately 48% of global lithium production, as reported in the 2016 USGS Mineral Commodity Summaries, with a number of operations ramping up production to meet increasing global demand. We're excited about the prospect of working in this area and are encouraged by exploration data from previous work."

Under the terms of the standstill agreement, STM has exclusive negotiating rights in respect of the Properties until February 7, 2017 with the option to extend the standstill period for an additional 30 days. During the standstill period, the vendor of the Properties shall not initiate or solicit or entertain any expressions of interest or proposals from any person or take any action to facilitate any purchase of sale of all or any interest in the Properties (other than to STM). If a binding legal agreement is entered into by the parties with respect to the purchase and sale of all or any part of the Properties, then any payments by STM under the terms of the standstill agreement shall be credited towards any payment to be made under the definitive purchase and sale agreement.

About The Company

STM is a Canadian-based exploration company focused on the acquisition and development of production grade metal deposits that are critical components to modern day rechargeable batteries. STM's key asset, the Iron Creek Cobalt Property, is located in Lemhi County, Idaho, along the most prolific trend of cobalt mineralization in the USA, the Idaho Cobalt Belt. The property encompasses 65 mining lode claims totaling 1,297 acres. The property benefits from a substantial amount of historical exploratory work, including approximately 30,000 feet of diamond drilling, and the mining of 1,500 feet of underground workings.

Reader Advisory

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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