

American Lithium Acquires Clayton Valley-1 Lithium Brine Property, Esmeralda County, Nevada

July 5, 2016 - Vancouver, British Columbia:

- **Addition of 1,540 acre Clayton Valley-1 Project to increase American Lithium's total Nevada lithium brine portfolio to 22,332 acres (9,038 ha);**
- **Clayton Valley-1 Property located approximately 250 meters from Albemarle's lithium property, the only brine based lithium producer in North America.**

American Lithium Corp. (TSXV: Li) (OTCQB: LiACF) (Frankfurt: 5LA; WKN: A2AHEL) ("American Lithium" or the "Company"), is pleased to announce that it has entered into an agreement to acquire all of the outstanding share capital of 1074654 B.C. Ltd. ("1074654"), a privately held British Columbia based mineral exploration company. 1074654 holds an option (the "Option Agreement") to acquire a seventy (70%) interest in and to a series of 77 placer claims covering 1,540 acres (623 ha) from Nevada Energy Metals Inc. (the "Property"). The Property is located on the north-western side of the original Clayton Valley playa, in Esmeralda County, Nevada (the "Clayton Valley-1 Property"). In consideration for the outstanding share capital of 1074654, the Company will assume the obligations of 1074654 with respect to the Option Agreement, as detailed below.

Mike Kobler, Chief Executive Officer of American Lithium, commented "Acquiring the option on the Clayton Valley-1 Project is an important strategic move for American Lithium. Not only does it increase the Company's Nevada portfolio of highly prospective lithium brine projects to over 22,330 acres, it also provides us with a geologically significant property in the original Clayton Valley playa, strategically located approximately 250 meters from Albemarle's lithium property, the only brine based lithium producer in North America. A National Instrument 43-101 Technical Report completed on the property in May 2016, concluded that geologic and geophysical mapping documented in 2008, indicates a deep graben lies between the Silver Peak Range front and outcrops at Goat Island and Alcatraz Island. This graben is the immediate exploration target for the project as it may represent a separate sub-basin in the Clayton Valley that holds brines not subject to pumping by production wells currently operated by Albemarle on the eastside of the main valley."

Clayton Valley-1 Project

The Clayton Valley-1 Project is an early-stage lithium brine prospect located on the north-western side of the original Clayton Valley playa. The property position covers an inferred graben bounded by the Silver Peak Range front on the west and an outlier of paleozoic rocks known as Goat Island on the east. A National Instrument 43-101 Technical Report was completed on the Property in May 2016 which indicates that the Clayton Valley-1 Property has strong potential to host lithium brine deposits in favorable geologic horizons within the basin fill, with a second possible target being lithium enriched clays within the fill package and potentially in previous high stands of the playa.

In 2006, Western Geothermal Partners drilled a 120 meter (400 foot) geothermal gradient test well on the Property. Bottom hole temperature was 50°C (122°F) which showed moderate potential for geothermal power. Of significance, the well encountered a 25-foot-thick zone of volcanic ash reportedly similar to the Main Ash Aquifer in the Clayton Valley lithium operation. The presence of any felsic ash in this hole is significant as it is the presumed source for at least some of the lithium in the brines.¹

To acquire a seventy (70%) percent interest in the Clayton Valley-1 Property, 1074654 is required to make payments of cash and common shares, and incur exploration expenditures, as follows:

- A cash payment of US\$275,000 as follows: (i) US\$75,000 on the Closing Date; (ii) US\$100,000 on or before the one (1) year anniversary of the Closing Date; and (iii) US\$100,000 on or before the two (2) year anniversary of the Closing Date.
- Incurring exploration and development expenditures of not less than US\$1,000,000, consisting of US\$100,000 on or before the first anniversary; an additional US\$300,000 on or before the second anniversary; and an additional US\$600,000 on or before the third anniversary of the Closing Date.
- Issuing 1,200,000 common shares of the Company, with 400,000 common shares issuable following the acquisition of 1074654, 400,000 common shares issuable on or before the first anniversary, and 400,000 common shares on or before the second anniversary.

All securities issued in connection with the acquisition of the Clayton Valley-1 Property, will be subject to a four-month statutory hold period. Closing of the acquisition of 1074654 remains subject to a number of conditions, including approval of the TSX Venture Exchange, and such other conditions as are customary in transactions of this nature.

¹ Price, Jonathon G., Lechler, Paul J., Lear, Michael B., and Giles, Tim F., 2000, Possible Volcanic Sources of Lithium in Brines in Clayton Valley, Nevada, in Cluer, J.K., Price, J.G., Struhsacker, E.M., Hardyman, R.F., and Morris, C.L., *Geology and Ore deposits 2000; The Great Basin and Beyond: Geological Society of Nevada 2000 Symposium Proceedings*, pp. 241-248.

Michael Collins, P.Geol. is the Company's designated Qualified Person within the meaning of National Instrument 43-101, and has reviewed and approved the technical information contained in this news release.

For further information, contact Michael Kobler at info@americanlithiumcorp.com

ABOUT American Lithium Corp.

American Lithium Corp. is actively engaged in the acquisition, exploration and development of lithium deposits within mining-friendly jurisdictions throughout the Americas. American Lithium holds options to acquire Nevada lithium brine claims totaling 22,332 acres (9,038 ha), including 18,552 contiguous acres (7,508 ha) in Fish Lake Valley, Esmeralda County; 2,240 acre (907 ha) San Emidio Project in Washoe County; and the 1,540 acre (623 ha) Clayton-Valley-1 Project. The Company's Fish Lake Valley lithium brine properties are located approximately 38 kilometers from Albemarle's Silver Peak, the largest lithium operation in the U.S., approximately 3.5 hours from the Tesla Gigafactory. American Lithium is listed on the TSXV under the trading symbol "Li". For further information, please visit the Company's website at www.americanlithiumcorp.com.

On behalf of the Board,

American Lithium Corp.

Michael Kobler, Chief Executive Officer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking statements

Statements in this release that are forward-looking information are subject to various risks and uncertainties concerning the specific factors disclosed here. Information provided in this document is necessarily summarized and may not contain all available material information. All such forward-looking information and statements are based on certain assumptions and analyses made by American Lithium management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risks Factors" in American Lithium's most recently filed MD&A. The Company does not intend, and expressly disclaims any obligation to, update or revise the forward-looking information contained in this news release, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information or statements.