Wealth Enters Strategic Alliance with the National Mining Company of Chile – ENAMI

written by Raj Shah | March 20, 2018

March 19, 2018 (Source) – Wealth Minerals Ltd. (the "Company" or "Wealth") – (TSXV:WML) (OTCQB:WMLLF) (SSE:WMLCL) (Frankfurt:EJZN) announces that it has entered into an agreement (the "Agreement") with the fully state-owned National Mining Company of Chile ("ENAMI"), whereby the parties have agreed to form a strategic alliance to develop and commercialize the Company's projects in the Salar de Atacama and Laguna Verde. The Agreement provides that the parties will have 24 months during which to study and assess the aforementioned properties and to form a partnership (the "JV") for the exploration, development and mining thereof and for the marketing of the products from the projects. The Agreement contemplates that the JV will take the form of an incorporated joint venture company in which ENAMI will own 10% of the JV and have a 10% free-carried interest, while Wealth will own the remaining 90% of the JV. The Agreement provides that the parties will have 24 months to enter into a definitive agreement that will govern the formation and operation of the JV.

Hendrik van Alphen, Wealth's CEO, stated "We are very happy to have ENAMI as a partner for developing our assets. Not only are we now able to draw upon ENAMI's experience and knowledge for

successfully mining and processing resources in Chile, we have gained a strong state partner that can help fulfill our goals of full scale development to achieve production of lithium and by-products in Chile. This will enable Wealth and ENAMI to meet the world's growing demand for lithium and secure Chile's position as a premier player in global lithium markets."

Background

Under current Chilean law, and since January 1, 1979, lithium cannot be exploited in Chile by regular mining concessions. The Chilean Mining Code establishes that lithium is a strategic mineral and expressly provides that the exploitation of "non-concessible" mineral substances (which includes lithium) can only be performed by:

- the Government of the Republic of Chile,
- a Chilean state-owned company, or
- by means of administrative concessions or special operation contracts that meet the requirements and conditions set forth by the President of the Republic of Chile for each such case.

While a few active licenses in Chile were granted before the current state regulations came into force, the lithium production associated with these licenses represents a small portion of the anticipated lithium supply. The Agreement provides Wealth, along with ENAMI, the ability to apply for the grant of the permits required to explore, develop, produce and export lithium in accordance with the terms of export quotas, in effect from time to time.

Lithium Mining Industry in Chile

Chile is the world's second largest lithium producer and the largest producer of lithium extracted from high-quality and

high-concentration brines, accounting for approximately 35% of the total global production representing 75,800t of lithium carbonate equivalent. Despite this significant footprint in the industry, lithium production in Chile comes exclusively from two operations in a claim owned by CORFO in the Atacama Salar. CORFO (Production Development Corporation), a government body responsible for regional development, has contracted production services to both Albemarle and Sociedad Química y Minera de Chile S.A. or "SQM". Neither Albemarle nor SQM own the licenses through which they extract lithium, as both companies contract directly with CORFO and not the Chilean state[1]. As such, all contracts governing the relationship between CORFO, Albemarle and SQM are specific to their operations in the Atacama Salar and are not representative of the current regulatory regime governing the exploitation of resources from lithium licenses generally. In the past year, other companies have begun to enter the lithium space in Chile, most notably CODELCO (National Copper Corporation), Wealth and Lithium Power International, with projects in preliminary stages of development. Chile's new President, Mr. Sebastián Piñera, and the incoming Minister of Mines, Mr. Baldo Prokurica, have publicly stated their support for Chile's mining industry and their political platform of attracting foreign and domestic investment to Chile's natural resource sector.

About ENAMI

ENAMI was established in the 1960s as a state company tasked with promoting the Chilean mining industry, by buying and processing the production of small and medium sized national mining companies. ENAMI is one of two state-owned companies in Chile involved in the mining industry, the other one being CODELCO.

About Wealth Minerals Ltd.

Wealth is a mineral resource company with interests in Canada, Mexico, Peru and Chile. The Company's main focus is the acquisition of lithium projects in South America. To date, the Company has positioned itself to develop the Aguas Calientes Norte and Quisquiro Salars in Chile (the Trinity Project), as well as to work alongside existing producers in the prolific Atacama Salar. In addition to the Laguna Verde lithium project acquisition, the Company has also positioned itself to play a role in asset consolidation in Chile with the Five Salars project.

The Company is transitioning from asset acquisition to the development of its current high potential portfolio and, in connection therewith, has already invested more than a year on community engagement and geo-physics work related to its Chilean projects. Lithium market dynamics and a rapidly increasing metal price are the result of profound structural issues within the industry meeting anticipated future demand. Wealth is positioning itself to be a major beneficiary of this future mismatch of supply and demand. The Company also maintains and continues to evaluate a portfolio of precious and base metal exploration-stage projects.

For further details on the Company readers are referred to the Company's website (www.wealthminerals.com) and its Canadian regulatory filings on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of
WEALTH MINERALS LTD.

"Hendrik van Alphen"
Hendrik van Alphen
Chief Executive Officer

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Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation, including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein including, without limitation, the Company's expectation that it will be able to enter into a definitive JV agreement with ENAMI, anticipated exploration program results from exploration activities, the Company's expectation that it will be able to obtain the necessary permits to exploit, develop, produce and export lithium, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events. In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, that market fundamentals will result in sustained lithium demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Company's Chilean lithium projects in a timely manner, the availability of financing on suitable terms for the development, construction and continued operation of the Company projects, and the Company's ability to comply with environmental, health and safety laws.

Forward-looking statements by the Company are not guarantees of future results or performance, and actual results may differ materially from those in forward-looking statements as a result of risks and other various factors, including, operating and technical difficulties in connection with mineral exploration and development activities, actual results of exploration activities, the estimation or realization of mineral reserves and mineral resources, the timing and amount of estimated future production, the costs of production, capital expenditures, the costs and timing of the development of new deposits, requirements for additional capital, future prices of lithium, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, title disputes, the inability of the Company to obtain any necessary permits, consents, approvals or authorizations (including acceptance by the TSX Venture Exchange) required for the definitive JV agreement, the timing and possible outcome of any pending litigation, environmental issues and liabilities, risks related to joint venture operations, and other risks and uncertainties disclosed in the Company's latest interim Management's Discussion and Analysis and filed with certain securities commissions in Canada. All of the Company's Canadian public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements in this news

release or incorporated by reference herein, except as otherwise required by law.

[1] CORFO is a government agency and not a state-owned company such as ENAMI or CODELCO.