

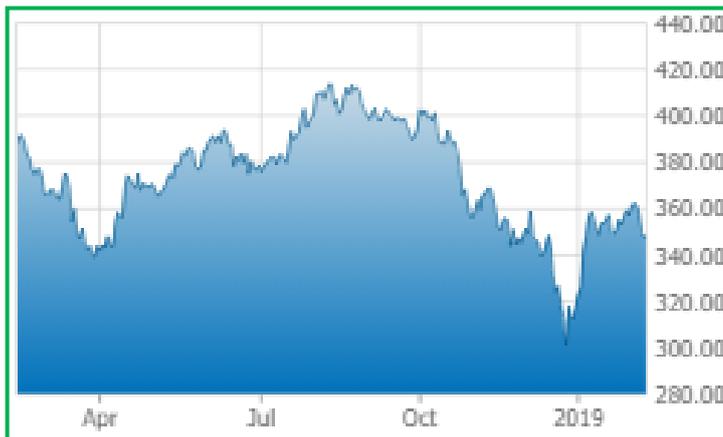
Strategic Metals & Rare Earths Letter

INTERNATIONAL

the independent information and advisory publication on investing in Strategic Metals & Rare Earths

INVESTMENT ALERT – February 11, 2019

www.wealthminerals.com



Wealth Minerals Ltd. (C\$ 0.40)

TSX.V	: WML
OTCBB	: WMLLF
SSE	: WMLC
Frankfurt	: EJZN

H + L prices (12 months) : C\$ 2.00 – 0.37

Net shares issued	: 124.7 million
Fully diluted shares	: 133.6 million

Market Capitalization	: C\$ 49.3 million (US\$ 37.1 million)
-----------------------	---

2019 price target: C\$ 1.50

INVESTMENT ALERT

Wealth Minerals has secured loans in the aggregate amount of **\$ 1.5 million** and revised **Atacama Project** option terms of the **Atacama Option to Purchase Agreement**

On February 11, 2019, **Wealth Minerals** (“**Wealth**”) announced that the Company had secured loans in the aggregate amount of \$ 1.5 million with certain arms’ length lenders. The loans have a one year term and bear interest at a rate of 8% per annum compounded annually payable on the maturity date.

The Company has agreed to issue in aggregate 3.75 million non-transferable common share purchase warrants to the lenders. Each bonus warrant will entitle the holder to purchase one common share at an exercise price of \$ 0.40 per share for a period of one year.

Wealth has renegotiated the terms of the **Atacama Option to Purchase Agreement** with the underlying property vendor, Atacama Lithium SpA, under which agreement **Wealth** has been given the exclusive right and option to acquire a 100% royalty-free interest in 144 exploration concessions comprising in aggregate 46,200 hectares in Region II of Antofagasta, northern Chile.

Pursuant to the negotiated terms, the remaining US\$ 1.5 million cash payment and issuance of 5 million **Wealth** common shares due March 1, 2019, has been rescheduled as follows: Cash US\$ 500,000 and 5 million **Wealth** shares, with a due date of February 19, 2019; US\$ 2.0 million in cash, no **Wealth** shares, with a due date of March 31, 2019; and US\$ 2.5 million, no **Wealth** shares, with a due date of January 31, 2020.

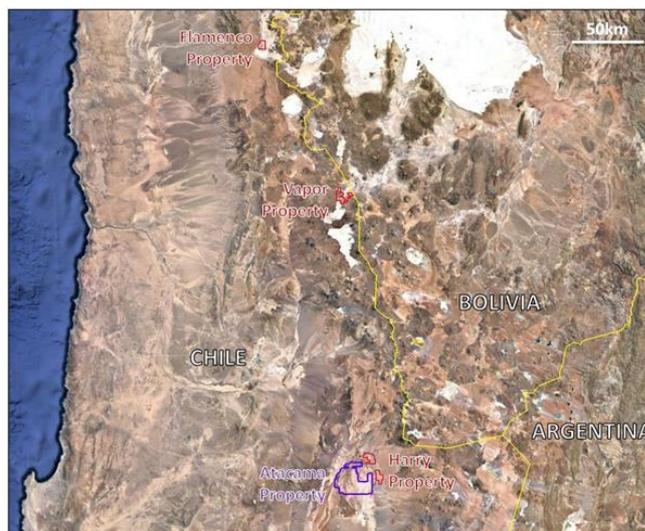
Wealth has completed a comprehensive review of its lithium asset portfolio and as a result, changes have been implemented to conserve cash and focus the Company's financial and human resources on the most impactful projects, namely the **Atacama** and **Trinity projects**.

At the **Laguna Verde project**, the project size has been reduced, allowing the Company to focus on the claims considered to have the most potential. The Laguna Verde property option has been relinquished, however, the **Salar Green & Union Property** option remains in good standing, resulting in a Laguna Verde project area reduction from approximately 8,738 hectares to 6,300 hectares, with the remaining claim covering areas considered prospective for sub-surface brines.

As a result, **Wealth** continues to hold all property areas where Transient Electro Magnetic (TEM) data has established drill targets.

The **Five Salars project**, acquired under option in 2017, has been relinquished in its entirety in consideration for US\$ 500,000 payment to the underlying property vendor, Atacama Lithium SpA, and **Wealth** has no further obligations for or interest in the property.

In connection with the project review process, **Wealth** has also acquired 3 new project areas. The **Flamenco**, **Vapar** and **Harry projects** have been acquired for consideration of 1.45 million common shares of the Company. With the acquisition of the **Harry Project**, the Company has increased its position in the Atacama Basin from 46,200 hectares to approximately 54,100 hectares.



The **Flamenco project** is located in the **Huasco Salar** and consists of 2,800 hectares. The acquisition provides **Wealth** with a position in the Huasco Salar without incurring cash option payment obligations.

Huasco is a play with consolidation potential. Other land owners in the Huasco Salar include Freeport McMoran, BHP Billiton and Codelco, which companies are holding adjacent properties. Similar properties are not in any way indicative of mineral deposits on **Wealth**'s position in the Huasco Salar.

The **Vapor project** is located in the **Ollague Salar** and consists of 4,200 hectares. Recent drilling activities by a peer company in the area returned lithium grades up to 480 Li mg/l

Company profile

Wealth Minerals’ (“**Wealth**”) core projects are its lithium interests in **Chile**, the world’s #1 country for lithium. The Company, through its Chilean subsidiary Wealth Minerals Chile, has formal option agreements to acquire interests in various lithium projects. The exploration concessions include the flagship **Salar de Atacama Project**, **Laguna Verde Project** and **Trinity Project**.

To date **Wealth** has positioned itself to develop the **Quiquiuro Salar** in Chile (the **Trinity project**), as well as to work alongside existing producers in the prolific **Atacama Salar**, where the Company as a substantial licences package.

Wealth has also positioned itself to play a role in asset consolidation in Chile, with various lithium properties throughout the country.

The **Atacama Salar**, located adjacent to International Highway 23, **which connects northern Chile and Argentina, is the world’s highest grade (1,840 mg/l) and largest producing lithium brine deposit and hosts more than 15% of the world’s known lithium reserves**. Currently producing approximately one-third of global lithium output from 2 production facilities operated by SQM and Albemarle, exploration and production of lithium has recurred only in the southern portion of the Salar.

In March 2017, **Wealth** filed a NI 43-101 Technical Report on the **Atacama Project**. The report recommends a comprehensive two-phase exploration program to better define the sub surface environment. Phase I is budgeted at approximately US\$ 550,000, followed by the contingent Phase 2 budget of US\$ 15.5 million.

In March 2018, **Wealth** announced that it has entered into an 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 to enter into a definitive agreement during which to study and assess the afore-mentioned properties and to form a partnership for the exploitation, development and mining thereof and for the marketing of the products from the projects.

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. It 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.

ENAMI is one of the two state-owned companies in **Chile** involved in the mining industry, the other one is **CODELCO**.

On December 4, 2018, **Wealth Minerals** (“**Wealth**”) announced that the Company entered into a letter of intent with respect to the acquisition of interests in two Chilean copper projects, which will be held by a newly formed subsidiary of Wealth (“**Wealth Copper**”). The two projects include: the **Escalones Copper Porphyry project** and the **Cristal Copper Porphyry project**.

Wealth intends to proceed with a restructuring transaction, whereby it would spin-out **Wealth Copper** to shareholders of Wealth, with the intent of listing **Wealth Copper** on the TSX Venture Exchange.

The spin-out is being undertaken to allow **Wealth** shareholders to benefit from **Wealth**’s exposure to Chilean mining deals and operational expertise. Upon closing of the spin-out and the placement **Wealth Copper** shares will be owned by **Wealth** shareholders of record as to approximately 30%, while participants of the private placement own approximately 40%, and TriMetals Mining (TSX.V – TMI) will own approximately 30% of the **Wealth Copper** shares.

A meeting of shareholders is to be held to approve the transaction currently contemplated to be held in the spring of 2019. **Wealth Copper** will have separate sources of funding and independent operators.

Finance

In January 31, 2019, **Wealth** announced that it had closed an oversubscribed non-brokered private placement. A total of 3,942,500 units were issued under the placement at a price of \$ 0.40 per unit for gross proceeds of \$ 1,577,000.

Each unit consists of one common share in the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one additional share at a price of \$ 0.75 per share.

Investment comments:

Wealth Minerals' core projects are its lithium interests in Chile, including a lithium brine project portfolio, with the **Atacama Salar**, the world's highest-grade and largest producing lithium brine deposit hosting more than 15% of the world's known lithium reserves.

Having shift its focus from acquisition to development with work programs underway, **Wealth** filed an NI 43-101 Technical Report on its flagship **Atacama Lithium Project**. The report recommended a comprehensive two-phase exploration program to better define the sub surface environment. Phase 1 is budgeted at approximately US\$ 550,000, followed by the contingent Phase 2 budget of US\$ 15.5 million.

In 2017, **Wealth** was able to raise C\$ 16 million to fund both phases.

In March 2018, **Wealth** announced that it had entered into an agreement with fully state-owned **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**.

Wealth believes that should exploration results warrant, the construction required to start commercial production at the **Atacama Lithium Project** would last approximately 18 months, with production commencing 18 to 30 months later.

Lithium market dynamics and a rapidly increasing metal price are the result of profound structural issues with the industry meeting anticipating future demand.

Wealth is positioning itself to be a major beneficiary of this future mismatch of supply and demand.

The agreement with ENAMI represents a potentially high added value, as a result of which **Wealth**, at a current market valuation of C\$ 58 million, is significantly undervalued compared to its peer group.

Considering the Company's prospective strategic location in Chile, as the world's #1 country for lithium, enhanced by proceeding with a spin-out company for its newly acquired Chilean copper assets, **Wealth**, represents one of my favourite strategic metal investment opportunities by choice, based on which I maintain my 2019 price target of C\$ 1.50.



► **Chile, the world's second largest lithium producer, represents 35% of total global production**

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 75,800 tonnes of lithium-carbonate equivalent. Despite the significant footprint in the industry lithium production in Chile comes exclusively from 2 operations in a claim owned by Production Development Corp (CORFO) in the Atacama Salar.

CORFO, a government body responsible for regional development, has contracted production services to both **Albemarle** and **Sociedad Química y Minera de Chile S.A. ("SQM")**.

Neither Albemarle nor SQM own the licences through which they extract lithium as both companies contract directly with CORFO and not the Chilean State. As such, all contracts governing the relationship between CORFO, Albemarle and SQM are specific to the operations in the Atacama Salar and are not representative of the current regulatory regime governing the exploitation of resources from lithium licences generally.

In the past year, other companies have become to enter the lithium space in Chile, most notably **National Copper Corporation ("CODELCO")**.

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.

► **Current Chilean law on the exploration of lithium**

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

- the government of the Republic of Chile;
- 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 licences in Chile were granted before the current state regulations came into force, the lithium production associated with these licences represent a small portion of the anticipated lithium supply.

Supply | Few pure play lithium exposure vehicles available for investors

Largest non-Chinese lithium producers are conglomerates not offering pure-play lithium exposure



USD 10.7bn

Market capitalisation

Global specialty chemicals company, with activities in specialty metals extraction, refining catalysts and applied surface treatments

36%

Lithium & advanced materials share of total revenues



USD 14.7bn

Market capitalisation

Global producer of fertilizers, potassium nitrate, iodine, lithium, specialty chemicals and metals explorations

27%

Lithium and derivatives share of total revenues



USD 11.1bn

Market capitalisation

Global chemical manufacturing company providing solutions and products for the agricultural, industrial and pharmaceutical markets

8%

Lithium share of total revenues



USD 10.3bn

Market capitalisation

China-based producer of lithium for ores and production of mid to high-end lithium products, listed on the Shenzhen Stock Exchange

100%

Lithium share of total revenues