

Standard Lithium Ltd. (TSXV:SLL)

Breaking down the Brine; Rapid Rerate on the Horizon

Development Update

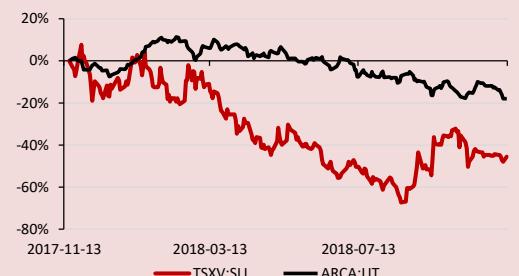
(Currency is CAD\$ unless noted otherwise)

CLOSING PRICE	\$1.37
Consensus NAVPS	NA
52 Week Low / High	2.85
Consensus P/NAV	NA
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	73.9 73.9
Market Capitalization (\$MM)	\$101.2
Enterprise Value (\$MM)	\$80.6
Last Reported Quarter Cash (\$MM)	\$20.6
Total Debt (\$MM)	\$0.0

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION

	P/NAV
Peer Group Average*	0.29x
Standard Lithium Ltd.	NA

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (5.2%), Fosun International Holdings Ltd.. (6.4%), Global X Management Company LLC. (0.77%)

DISCLOSURE CODE:

1,2,3,4

(Please refer to the disclosures listed on the back page)

Source: RCKS, Company Information, Capital IQ

Company Description

Standard Lithium Ltd. engages in the exploration for and development of oil and gas properties in the United States. It holds interests in the Bristol Dry Lake Lithium Project located in the Mojave region of San Bernardino County, California. The company was formerly known as Patriot Petroleum Corp. and changed its name to Standard Lithium Ltd. in December 2016. Standard Lithium Ltd. was incorporated in 1998 and is based in Vancouver, Canada.

Impact: Mildly Positive

Commissioning of the prototype pilot plant has started and is an important step before a commercial production decision (2020).

We believe the commissioning of the prototype pilot plant is an important step towards securing an offtake agreement. This in turn would help fund the construction of a full-scale operation. **We continue to believe that Standard Lithium is one of the best ways gain exposure to the space as it already has access to a producing brine field (permits in-a-hand, no exploration work required).**

Highlights:

- Another step towards commercial production.** The completion of the prototype pilot plant is important, as it will determine the final process design for the pilot plant. A pilot scale plant is needed to generate enough material for battery manufacturers to test the product leading to an offtake agreement, which is the precursor to full-scale production. Operations of the prototype is expected to run for 2-3 months at which point, the company is expected initiate the construction of a pilot plant.
- A high-quality and quick to market product is likely.** Previous lab test work on the Arkansas brines yields high purity (>99.5%) of crystallized lithium product. The brines at Smackover are currently the world's largest source of bromine, which contain elevated levels of lithium in the range of 150-500 mg/L. Standard Lithium plans to tap into the existing brine stream to harvest the lithium, and build its production facilities within already permitted areas, making this a quick to market project.
- Finalizing off-take agreements are key, expected in Q4.** We believe that once the company completes its offtake agreement with the underlying lease holder, Lanxess (ETR:LSX), we would expect it to publish a sizeable lithium resource, likely re-rating the stock and catching the attention of larger producers.

Valuation:

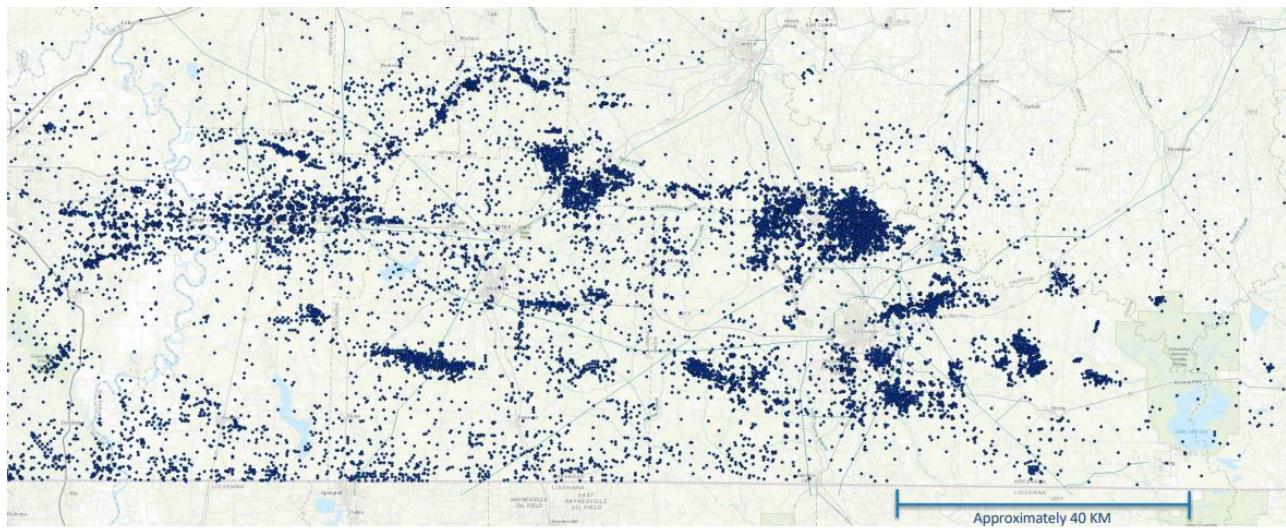
Re-rating expected when Smackover resource released in Q4. Standard Lithium's unique ability to quickly generate a resource (once the off-take agreement is complete) and rapidly advance towards production make it one of the best junior mining companies in the lithium space. **Upcoming Catalysts include** 1) Positive results from prototype test-work (Q1/19) and 2) Completing the offtake agreement (Q4/18)

Priced as of prior trading day's market close, EDT (unless otherwise noted).

All values in USD unless otherwise noted.

For Disclaimer and Applicable Disclosures, see the end of this report

Figure 1: Previous drillholes at the Smackover Formation



STANDARD LITHIUM | TSXV: SLL | OTCQX: STLHF

Source: Company Reports

Figure 2: Company Comparables

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	Contained Li Mt	Consensus P/NAV
Standard Lithium Ltd.	TSXV:SLL	\$1.37	-36%	74	\$101	\$21	\$0	\$81	NA	NA
LSC Lithium Corporation	TSXV:LSC	\$0.35	-79%	162	\$57	\$9	\$0	\$48	1.27	0.15x
Advantage Lithium Corp.	TSXV:AAL	\$0.59	-51%	159	\$94	\$11	\$0	\$83	0.47	0.28x
Neo Lithium Corp.	TSXV:NLC	\$1.00	-57%	118	\$118	\$49	\$0	\$68	2.05	0.29x
Critical Elements Corporation	TSXV:CRE	\$0.69	-59%	162	\$111	\$6	\$4	\$109	26.50	0.46x
Pure Energy Minerals Limited	TSXV:PE	\$0.11	-73%	147	\$16	\$2	\$0	\$14	0.22	NA
								Median	1.27	0.28x
								Average	6.10	0.29x

Source: RCKS Estimates, Capital IQ

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Standard Lithium Ltd.	TSXV:SLL	1,2, 3, 4

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