

Rock Tech CEO Provides Outlook for 2019

VANCOUVER, Jan. 11, 2019 /CNW/ - **Rock Tech Lithium Inc.** (the "Company" or "Rock Tech") (TSX-V: RCK; Frankfurt: RJIB).



Martin Stephan Director and Chief Executive Officer (CNW Group/Rock Tech Lithium Inc.)

From the desk of Martin Stephan, director and Chief Executive Officer of Rock Tech Lithium Inc.:

A Positive Perfect Storm Brewing

The stock market closed 2018 on a very weak tone. Not only did the overall market slip into negative territory on heavy selling in December, resource stocks did so as well. Share prices of lithium companies were down again, after having lost much ground already in the preceding months. While 2017 was a surprisingly good year for lithium share prices bringing up valuations by meaningful amounts, 2018 was the even more surprising move to the downside. The problem is that because of the hype of 2017, a lot of weak hands like pure speculators were in control of lithium shares. When the market turned to the downside in early 2018, mainly after a rather unrealistic analysis about the lithium market by Morgan Stanley which presented a total misunderstanding of the battery market, lithium shareholders sold their shares quite heavily bringing down valuations sharply. This happened in an environment when the fundamental situation for most lithium companies was improving. Even a still very weak overall commodity sector couldn't bring down lithium prices a lot. After huge rises in prices in 2017 for lithium concentrate, carbonate and hydroxide, 2018 saw some minor corrections for concentrate and hydroxide by around 10% in the world markets. Only prices in mainland China lost more ground, but they were up even higher in 2017.

Accomplishments During 2018

For Rock Tech Lithium, 2018 was a year of huge success. In June, the Company announced a large increase in the lithium tonnage at its flagship Georgia Lake project. As a result of exploration programs during 2016 and 2017, the Georgia Lake lithium resources increased by 40% and contained 'measured' resources for the first time. Based on the strong resource update, management commissioned the first-ever preliminary economic assessment ("PEA") on the property. In October, the Company announced the results of the PEA which included an NPV of \$312 million and an IRR of 62.2%, bolstering the economic case for the Georgia Lake property, validating the investments made in exploration to date and providing a glimpse at the path to production.

Outlook for 2019; A Positive Perfect Storm

What will 2019 bring to Rock Tech Lithium and its shareholders? Being active in trading stocks and commodities for more than 30 years, I see nothing more than a perfect storm in a positive way for Rock Tech and lithium shares in general.

First, it is important to acknowledge that the overall bear market for commodities is finally over. Gold will be the driver for higher valuations for resource stocks in general.

Second, this year will be the first year that car companies, mainly from Asia and Europe, will show the public their new "green" cars ready to be bought right away. One of the biggest marketing

offensives will take place on TV sets around the world addressing plug-in hybrids as the best possibility for all of us to erase our "carbon footprint."

Third, this will bring the next round of high attention to batteries and lithium as one of the main components of this electrical revolution. In our view, 2019 will be the last year for the battery cell producers to store lithium before future lithium demand will be much higher than free supply, giving prices for lithium concentrate and hydroxide the next push to the upside.

Fourth, in reaction to the first three points, the lithium market will see much more M&A activity than in the last years as the industry tries to secure lithium out of reliable projects and jurisdictions.

With 2017 being a very good year for lithium investors and 2018 a very bad year, this year will be unsurprisingly a very strong year for most lithium companies with hard rock projects. Rock Tech Lithium perfectly fits in this scenario as the demand side is looking mainly for hard rock spodumene projects like Rock Tech's Georgia Lake project in Ontario. Additionally, later this year Rock Tech management will give the final "go" for the start of a feasibility study to move closer to building a mine and starting lithium production.

We are very positive that shareholders will see the huge divergence between Rock Tech's very low share price and the real fundamental situation and upcoming developments, not being surprised if the valuation of Rock Tech will reach even higher levels than 2017.

I am wishing you a very successful year!

Martin Stephan

About Rock Tech Lithium

Rock Tech Lithium is focused on bringing its flagship Georgia Lake lithium project into production. The Georgia Lake project is a lithium-rich pegmatite vein deposit with measured and indicated resources of 6.57 million tonnes grading 1.01% Li₂O in addition to inferred resources of 6.72 million tonnes grading 1.16% Li₂O. The first PEA for the project, focused exclusively on the main resource area hosting less than 80% of total defined resources, was published in October 2018. Highlights from the PEA included an NPV of \$312 million and an IRR of 62.2%.

The deposit was discovered in the Thunder Bay Mining district in northwestern Ontario/Canada, close to the Lake Superior, as early as 1955. Rock Tech Lithium has been working increasingly on the property since 2016 – in a market environment, where the trend for electric cars on the international market has been rising steeply for years. Analysts expect that more than 25% of newly sold cars in 2025 will be electrified, with the demand for batteries and therefore battery metals such as lithium expanding rapidly.

On behalf of the Board of Directors of the Company,

"Martin Stephan"

Martin Stephan

Director, Chief Executive Officer

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