First Hole HMN Li Project, Argentina
Second Drill Rig on Site

August 25, 2022 / Vancouver, BC / Lithium South Development Corporation (the "Company") (TSX-V: LIS) (OTCQB: LISMF) (Frankfurt: OGPQ) is pleased to provide an update on the drilling campaign currently underway at the Hombre Muerto North Lithium Project (HMN Li Project) in Salta Province, Argentina. The first hole AS01 has now been completed to a depth of 270 meters. As the first hole has progressed, drilling has become very difficult due to geological instability. The decision was made to conclude the hole at this depth, though geological basement was not reached. Double-packer sampling is now underway and will continue for the coming few days. Samples will be obtained from borehole intervals deemed to be of interest. Alex Stewart Laboratories, an ISO Certified laboratory located in Mendoza Argentina is conducting the assay test work. Dr. Mark King, a Qualified Person (QP) under NI 43-101 is supervising the program.

A second drill rig operated by Andagala Perferaciones S.A. is now on site. The unit will locate to the middle of the Alba Sabrina Claim Block and initiate hole AS03.

Company Director and Chief Operating Officer, Fernando Villarroel states, "We are very pleased to have completed our first hole at the Alba Sabrina claim block. Our second drill rig is now on site, and we look forward to moving the program ahead quickly."

The objective of the program is to potentially expand the current Lithium Carbonate Resource which is defined with an average grade of 756 mg/L lithium within 571,000 tons in the Measured and Indicated Categories (See news release December 4, 2018, and NI 43-101 compliant Technical Report titled, *Initial Measured and Indicated Lithium and Potassium Resource Estimate, Hombre Muerto North Project, Salta and Catamarca Provinces, Argentina, prepared by independent consultants Montgomery and Associates of Santiago, Chile*).

The current Resource is contained solely on the Tramo Claim Block, which is 383 hectares in size. Tramo is one of five Salar-located, non-contiguous claim blocks that comprise the total project area of 3,287 hectares. The current drill program is focused on exploration of the Alba Sabrina Claim Block, which is 2,089 hectares in size.

About Lithium South

The HMN Li Project is at an advanced stage of evaluation, with a Preliminary Economic Assessment completed in April 2019. Lithium South is the 100% owner and expects to expand the known resource with its current drill program. Preliminary results support this expectation. Additional project work including permitting, environmental studies and process test work is ongoing.

The HMN Li Project is adjacent to a US$840 million lithium mine under development by the Korean multinational corporation POSCO, which acquired their holdings from Galaxy Resources Ltd. for US$280 million. Livent Corporation is producing lithium to the south of the Hombre Muerto North Lithium Project and has operated there for over twenty-five years.

The Company is evaluating a conventional evaporation process method, and Direct Lithium Extraction (DLE) as an alternative method. DLE test work on 2,000-liter brine samples is currently in progress by Chemphys Chengdu, in China, and Eon Minerals in Salta, Argentina.

The technical and scientific information in this press release was reviewed by Dr. Mark King, a Qualified Person under National Instrument 43-101. Dr. King participated in the preparation of this news release.

On behalf of the Board of Directors

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