

Neo Lithium Announces Closing of \$30.2 Million Bought Deal Financing

February 10, 2021 (Source) –

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

All monetary amounts are expressed in Canadian Dollars, unless otherwise indicated.

Neo Lithium Corp. (“**Neo Lithium**” or the “**Company**”) (TSXV: NLC) (OTCQX: NTTHF) (FSE: NE2) is pleased to announce that it has completed its previously announced bought deal private placement of special warrants (the “**Special Warrants**”) for gross proceeds of \$30,195,000 (the “**Offering**”). The Offering was led by Stifel GMP, as lead underwriter and sole bookrunner, on its own behalf and on behalf of a syndicate of underwriters including Cormark Securities Inc., Canaccord Genuity Corp., Paradigm Capital Inc. and Eight Capital (together with Stifel GMP, the “**Underwriters**”).

Pursuant to the Offering, the Company issued 9,900,000 Special Warrants at a price of \$3.05 per Special Warrant. Each Special Warrant, subject to the Penalty Provision (as defined below) and subject to adjustments in certain circumstances, shall be deemed to be exercised for one common share in the capital of the Company (each, an “**Underlying Share**”) without any required action on the part of the holders (including payment of additional consideration) on the date on which the earlier of the below occurs (such date, the “**Automatic Exercise Date**”):

(i) the second business day following the date on which a final receipt is obtained from the Ontario Securities Commission, as principal regulator on behalf of the securities

regulatory authorities in each of the qualifying jurisdictions (the "**Final Receipt**"), for a (final) short form prospectus (the "**Qualifying Prospectus**") qualifying the Underlying Shares for distribution (the "**Qualification Date**"); and

(ii) 4:59 p.m. (Toronto time) on June 11, 2021.

The Company has agreed to use its commercially reasonable efforts to qualify the Underlying Shares for distribution in Canada, and to obtain the Final Receipt therefor, on or prior to April 12, 2021. In the event the Qualification Date has not occurred on or before April 12, 2021, each Special Warrant shall thereafter entitle the holder thereof to receive, upon the exercise or deemed exercise thereof, as applicable, 1.1 Underlying Shares (the "**Penalty Provision**").

The Company plans to use the net proceeds from the Offering to fund development work at the 3Q Lithium Project located in Catamarca, Argentina and for working capital and general corporate purposes. More specifically, the Company intends to use the majority of the net proceeds to advance the construction of the concentration pond system at a commercial scale with a view to accelerating future production from the 3Q Project.

As consideration for the Underwriters services in connection with the Offering, the Company paid a cash commission of 6% of the gross proceeds of the Offering.

The Special Warrants and Underlying Shares are subject to a hold period under Canadian securities laws until June 11, 2021, unless the Final Receipt is obtained prior to that time. The Offering has been conditionally approved by the TSX Venture Exchange (the "**TSXV**") and remains subject to final acceptance by the TSXV.

As announced by the Company on February 9, 2021, a subsidiary of Contemporary Amperex Technology Co., Limited ("**CATL**"), has provided notice of its intention to exercise its right to

maintain its *pro rata* equity interest in the Company by subscribing for additional common shares of the Company pursuant to a contractual participation right under an investor rights agreement between CATL and the Company on substantially equivalent terms to the Offering (including the Penalty Provision). The private placement with CATL is scheduled to close within 45 days of the date hereof and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including customary approval from the government of the People's Republic of China, the approval of the TSXV and any required securities regulatory authorities, and the execution of a subscription agreement.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and application state securities laws.

About Neo Lithium Corp.

Neo Lithium Corp. has quickly become a prominent new name in lithium brine development by virtue of its high quality 3Q Project and experienced team. Neo Lithium is rapidly advancing its 100% owned 3Q Project – a unique high-grade lithium brine lake and salar complex in Latin America's "Lithium Triangle".

The 3Q Project is located in Catamarca Province, the largest lithium producing area in Argentina covering approximately 35,000 ha including a salar complex of approximately 16,000 ha.

Additional information regarding Neo Lithium Corp. is

available on SEDAR at www.sedar.com under the Company's profile and at its website at www.neolithium.ca, including various pictures of ongoing work at the project.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Cautionary Statements Regarding Forward-Looking Statements

Forward-Looking Statements – Certain information set forth in this news release may contain forward-looking statements. Such statements include but are not limited to, statements as to the intended use of proceeds of the Offering, receipt of regulatory approvals, including the approval of the TSXV, the intention of CATL to exercise its right to maintain its pro rata percentage holding of the Company, and the Company's intentions with respect to filing a short form prospectus and the receipt of a Final Receipt therefor. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "scheduled", "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, which could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. These risks include, without limitation, risks related to obtaining the approval of TSXV for the Offering, risks related to obtaining a Final Receipt from the applicable securities regulatory authorities, a failure to obtain adequate financing on a timely basis and on acceptable terms, political and regulatory risks associated with mining

and exploration activities, including environmental regulation, risks and uncertainties relating to the interpretation of drill and sample results, risks related to the uncertainty of cost and time estimation and the potential for unexpected delays, costs and expenses, risks related to metal price fluctuations, the market for lithium products, and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and undue reliance should not be placed on forward-looking statements.

SOURCE Neo Lithium Corp.

For further information: Neo Lithium Corp., Carlos Vicens, cvicens@neolithium.ca

Related Links

<http://neolithium.ca/>