

In 2022 Neo Lithium Shareholders prospered, and Neo Performance Materials is in the spotlight

written by InvestorNews | January 13, 2022

[Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) was one of the standout performers in 2021 delivering a return to investors of 219%, a [5.35x gain](#) for those investors lucky enough to have bought in at the IPO on July 20, 2016 at C\$1.20 per share. Neo Lithium is now trading at C\$6.42 with the [Zijin Mining takeover offer](#) at C\$6.50 a share having recently been [approved](#) by Neo Lithium shareholders.

Today's article gives an update on Neo Lithium and mentions another company that has several things in common with Neo Lithium, meaning it could be the next success story.

An update on Neo Lithium

As announced on December 10, 2021 [Neo Lithium shareholders approved the arrangement](#) effectively selling their shares in Neo Lithium to China's Zijin Mining Group at C\$6.50 a share. 91.42% of shareholder votes were in favour of the transaction. The announcement stated: "Subject to obtaining all required approvals and satisfying all required conditions, the Transaction is expected to close in the first quarter of 2022....Following closing of the Transaction, the Common Shares will be de-listed from the TSX Venture Exchange." There is the option for investors to buy into China copper-gold miner [Zijin Mining Group](#) (SHA: 601899) (HK: 2899) if they wish to still have exposure to Neo Lithium's prized 3Q Project, whose Environmental

Impact Assessment (EIA) was [recently approved](#) by the Catamarca Government in Argentina.

Effectively this ends the story for investors in Neo Lithium. But there is a another 'Neo' to consider.

Neo Performance Materials Inc. (TSX: NEO) – The next 'Neo'

While there is no doubt that Neo Lithium President & CEO, [Dr. Waldo Perez](#), (who also discovered Lithium Americas Cauchari Project) and its CFO, [Carlos Vincens](#), played a huge role in the success of Neo Lithium, there is another person of interest. And that is Neo Lithium Chairman [Constantine Karayannopoulos](#), who served on the Neo Lithium Board from February 9, 2016. He is also the President and Chief Executive Officer of [Neo Performance Materials Inc.](#) (TSX: NEO). Neo Performance Materials returned shareholders a 49% gain in 2021 and offers investors a similar early stage (to get in) opportunity, albeit this time in rare earths processing and permanent magnets materials.

For investors who believe success breeds success (as I do), and who look to follow star performers then I suggest you take a closer look at Neo Performance Materials. The Company is unique in the way it is positioning itself as the only non-Chinese processor of rare earth materials into separated rare earth chemicals that are then used internally to produce rare earth fine chemicals, metals, alloys, and "bonded" rare earth permanent magnets. You can read more about Neo Performance Materials in my linked article below.

- [Neo Performance Materials looks to expand capacity as it rides the tailwind of growing rare earth permanent magnet demand](#)

In the above article global rare earths expert Jack Lifton quotes his view on Neo Performance Materials stating:

“Neo Performance Materials is today, the only Western company that is vertically integrated with the capability and commercial scale capacity to separate the rare earths, manufacture rare earth metals and alloys, and manufacture rare earth permanent magnets. It is the non-Chinese model for any venture seeking to enter or assemble a total rare earths permanent magnet supply chain.”

Closing remarks

The story on Neo Lithium is now closing with the successful takeover by Zijin Mining now in its final stages. Investors who were in early, since the IPO, made a very nice 5.35x gain, and in some cases even more if they followed me buying at the 2019 low around C\$0.58 (see my article [here](#)) and selling recently above C\$6.40 for a 11x gain.

Looking ahead I see some similarities between Neo Lithium and Neo Performance Materials. Both have top quality management and Constantine Karayannopoulos is involved in both. Both companies are leaders in their field, noting Neo Lithium in lithium and Neo Performance Materials in rare earths processing and production of valuable rare earth based end products. Finally, both are beneficiaries of the EV boom and the demand for EV related metals such as lithium and the rare earths, NdPr.

They say follow the money and that is true, but better still is to follow successful top tier management, especially if they have the tailwind of a winning trend.

In 2022 we say farewell to Neo Lithium and hello to Neo Performance Materials. It should be another great year for those companies related to the electric vehicle boom.

China pays full value for Neo Lithium. Here comes the bull market.

written by Tracy Weslosky | January 13, 2022

Friday post-market we had significant news in the critical materials market. Zijin Mining Group Co., Ltd. and [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) (FSE: NE2) [announced](#) that they have entered into a definitive agreement pursuant to which Zijin has agreed to acquire all of the outstanding shares of Neo Lithium at a price of per share of C\$6.50 in cash.

The offer price represents a premium of approximately 36% over Neo Lithium's 20-day volume-weighted average price. The total cash consideration for all of the outstanding equity of Neo Lithium is approximately C\$960 million.

That is a phenomenal deal for shareholders as just one year ago, the company was trading at a mere C\$0.60 per share and this offer is double the share price in June 2021. In May 2019, the company released a [374-page Pre-Feasibility Study](#) for the company's flagship Tres Quebradas (3Q) lithium brine project in Catamarca, Argentina, valuing the project at \$1.14 billion with a post-tax 49.9% IRR. Full value recognized and received.

The Neo Lithium project, which is located in the so-called "Lithium Triangle", is where an estimated 40% of global lithium production originates in an area that holds more than 90% of the world's lithium brine resources. Neo Lithium owns 100% of the project.

In a recent column on InvestorIntel, Neo Lithium was identified as one of the [top five lithium development and exploration companies for 2021](#). The 3Q project is outstanding globally as it has the highest grade lithium deposit in Argentina (3rd-4th highest in the world) with the lowest critical impurity content in the world. The company established pilot plant production in September 2019 and saw battery-grade lithium carbonate (99.6% pure) in March 2020 and produced 99.9% pure lithium carbonate in June 2021, which contributed to the share price increasing from the \$2.50-3.00 range to current levels.

Recall that in [September 2020](#), the company welcomed a leading Chinese battery manufacturer and technology company, Contemporary Amperex Technology (CATL) as an 8% shareholder and strategic partner. This allowed Neo Lithium to strengthen the company balance sheet and provided industry expertise as the project was moving towards a Definitive Feasibility Study and planning for full-project construction and financing.

Is this the right time to sell for Neo Lithium? In the news release announcing the transaction, Neo Lithium's President and CEO revealed that the company had conducted a thorough strategic process and selected Zijin Mining for (among other things) their track record of developing assets in a responsible manner respecting the interests of local employees, communities and authorities. With an estimated \$247.7 million of start-up capital required, this is the next logical step.

The transaction is subject to the receipt of certain government, regulatory, court and stock exchange approvals, including approval by relevant authorities in China and Investment Canada Act approval, and other closing conditions customary in transactions of this nature. Notwithstanding recent Sino-Canada tensions, this transaction should be swiftly approved.

Jack Lifton with Neo Lithium's Gabriel Pindar, says "the lithium market is a permanent bull market at this time"

written by InvestorNews | January 13, 2022

In a recent InvestorIntel interview, Jack Lifton speaks with Gabriel Pindar, COO and Director of [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) about Neo Lithium's latest updated [results](#) that "...confirm that 3Q Project is one of the most significant lithium brine discoveries in recent history" ([source](#)).

In this InvestorIntel interview, which may also be viewed on YouTube ([click here to subscribe to the InvestorIntel Channel](#)), Gabriel went on to say that further to the [125% increase in resource](#) at their 3Q Project located in the Lithium Triangle: "The company expects to begin commercial production of lithium carbonate in the last quarter of 2023 reaching full production of 20,000 tons per year in 2025." Jack then comments on the Neo Lithium deal with CATL. CATL, which is the largest EV battery producer in the world, is a strategic partner with Neo Lithium. Gabriel draws Jack's attention to the competitive cost for extraction, Jack adds "the lithium market is a permanent bull market at this time".

To watch the full interview, [click here](#)

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 the Catamarca Province, the largest lithium producing area in Argentina covering approximately 35,000 ha including a salar complex of approximately 16,000 ha.

To learn more about Neo Lithium Corp., [click here](#)

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If you have any questions surrounding the content of this interview, please email info@investorintel.com.

Neo Lithium reaches nirvana with 125% increase in resources

written by InvestorNews | January 13, 2022

Whenever someone mentions lithium to me, the first thing that pops into my head is Kurt Cobain and Dave Grohl. Obviously, I'm still stuck in the 90's thinking about great songs like [this Nirvana offering](#). The recording of which is arguably responsible for Dave Grohl joining the iconic band. But when I drag my head out of the clouds and back to today the most important lithium going is the commodity that is vital to the build out of electric vehicles, consumer electronics and various energy storage applications involving rechargeable batteries. You've heard us go on and on at InvestorIntel about the importance of lithium, perhaps no more clearly than [this article](#) by Jack Lifton (a must read). So I won't pound the table anymore on that topic as long as you read Jack's article.

So what if there was a junior miner that just announced a 125% increase of measured and indicated resources in their lithium brine project in Catamarca Province, Argentina. I bet that would get you pretty excited. Well, you are in luck. [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) just [announced exactly that](#) at their [Tres Quebradas \(3Q\) project](#).

The Company's 3Q project is located in the southern end of the "Lithium Triangle" in the Puna Plateau, where over 40% of global lithium is produced. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. The largest lithium brine mines and projects in the world are located in salars (a salt-encrusted depression that may or may not be the basin of an evaporated lake) in the Lithium Triangle including Atacama Salar (SQM and Albermarle), Cauchari-Olaroz Salar (Orocobre and Lithium Americas) and Hombre Muerto Salar (Livent and Galaxy). Neo Lithium is in the same neighborhood as all the big names in lithium.



Source: [Corporate Website](#)

This resource increase was a function of the latest drilling results [announced by Neo Lithium on May 27th](#) where the company intercepted a new deep brine aquifer, located outside the area which resulted in the Company's previous Mineral Resource Estimate prepared by Groundwater Insight Inc. with an effective date of August 14, 2018. So they gave Groundwater a call and asked them to work on a new resource estimate using the results from the new wells. Those results are summarized as follows (lower right of the table is the impressive 125% increase):



Source: [Corporate Press Release](#)

As an investor trying to make a decision on whether this is a good stock to buy or not, let's have a look at some of the other important facts about Neo Lithium. Notwithstanding the overall outlook for lithium, which I promised not to keep droning on about, there are several corporate specific items that are key. The Company has a lot of money to begin the commercial development of this project, \$59 million at the end of March. They have the world's largest battery manufacturer Contemporary Amperex Technology Co. Limited (CATL) – a global leader in the development and manufacturing of lithium-ion batteries and the world's No. 1 ranked EV battery producer – as a strategic investor (8% equity interest), [including a seat on the board](#). A pre-feasibility study, done prior to the latest resource increase, had a 50% IRR, \$1.1 billion after tax NPV (8% discount rate), and a 1 year 8 month payback period.

Additionally, the 3Q project is 100% owned and Neo Lithium controls the entire salar which still has exploration upside. The high-grade core of the 3Q project is 3rd highest grade lithium project in the world, 4th best on overall average grade. The low impurities contribute to this project being estimated to be in the lowest quartile OPEX in the industry at US\$2,900/t. Pilot plant operations have run for over a year achieving battery grade quality (99.797% lithium carbonate) and pleasing CATL with the results. Similar processing operations have run in the area for over 20 years, so it's not like this project is reinventing the wheel, perhaps just advancing a better way to power the wheel.

All of this make 3Q one of the best undeveloped lithium projects worldwide. But there's the key – undeveloped. So what's next for Neo Lithium? The Company plans to complete the final feasibility study in Q3/21 at which point it will finalize financing discussions with CATL, assuming they've obtained the

Environmental Impact Assessment. At that point, they can start executing a construction plan and get this impressive project making all that money that the PFS indicated was there for the taking, assuming lithium prices remain strong but we've already covered that!

With lithium demand forecast to increase 10x's this decade, Neo Lithium steps up to the mark

written by InvestorNews | January 13, 2022

2021 Electric vehicle (EV) sales continue to smash records, notably in China and Europe. Global electric car sales for March 2021 were [up 173% YoY](#), reaching 8.2% share, and the second best month ever. Europe sales [rose 169% YoY](#), reaching 16% share, while China sales [rose 244% YoY](#), reaching 11% share. In April China EV sales jumped [173% YoY](#) and reached 10% market share. Booming EV sales means booming demand for EV metals, such as lithium, cobalt, graphite, nickel, manganese, copper, and neodymium and praseodymium (NdPr).

As a result of the impending decade long EV boom analysts continue to increase their EV metals demand forecasts. [UBS](#) and [others](#) are **forecasting lithium demand to surge 10-11x this decade**. To meet the surging demand new lithium mines will be needed, especially from 2023 onwards as the market potentially heads into deficit. One lithium junior, with the world's largest

battery manufacturer CATL as a strategic investor, looks poised to potentially fill this supply gap and become a 2023/24 lithium producer.

The company is [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF).

Neo Lithium 100% own, and has fully paid, their 3Q lithium brine project in Argentina. The 3Q Project is very large in size and has the 4th highest lithium grade globally, or the 3rd highest if counting only their high grade core. Proven & Probable reserves are [1.3 million tonnes of Lithium Carbonate Equivalent \(LCE\)](#). The M&I Resource is 4.0 million tonnes of LCE. The mine life is forecast at [35 years](#) taking into account only 1/3 of the known resource. The 3Q Project has the lowest level of impurities globally which should result in industry low operating expenses. The 3Q Project has an [outstanding PFS](#), including a post-tax NPV8% of US\$1.144 billion, post-tax IRR of 49.9%, and CapEx of US\$319 million, based on 20,000t pa LCE production, and assuming a life of mine lithium carbonate average price of US\$11,882/t. Current lithium carbonate prices are at [US\\$13,000/t](#). Payback on the 3Q project is just 1 year and 8 months. The 3Q project is at a quite advanced stage with pilot ponds and established infrastructure.

[Final Environmental permit](#) for construction has been presented to the government and is in the process of approval. CATL now has [board representation](#) (Mr. Tang Honghui) and input into the current Feasibility Study (FS) due for completion in Q3 2021. CATL has a board nomination right pursuant to the strategic investment and investors rights agreement signed with the Company that closed on December 16, 2020. After the FS is released and assuming the environmental permit is granted, it would be fairly reasonable (not guaranteed) to expect some major moves forward towards project partner/project funding, most likely from CATL or affiliated funding groups.

In Neo Lithium's most recent news the Company [announced](#) that they are expanding and optimizing the Pilot Ponds at the 3Q Project. Neo Lithium [stated](#):

"The Company completed five years of pilot pond evaporation and design to be able to bring the latest technology to the new pilot pond system. Results confirm less than one year of evaporation from in-situ brine to final ~3.6% lithium brine concentration prior to shipment to the carbonation plant. The new pilot pond system will test different technologies to lower total cost of industrial scale ponds by making ponds smaller and more efficient."

Neo Lithium COO, Gabriel Pindar, [stated](#):

"As we get closer to completing the Definitive Feasibility Study, we move our pilot system to a final piloting system that is efficient, lower cost, consumes no fresh water or reagents and requires less capital cost to produce than other comparable projects."

Neo Lithium look set to be the next major lithium brine producer after LAC/Ganfeng



Source: [Neo Lithium website](#)

For lithium brine producers the two main aspects are the brine evaporation using evaporation ponds, then the final processing plant where impurities are removed. Neo Lithium is advancing very well on the ponds and once funded for project construction can build the processing plant. Neo Lithium has already proven they [can produce battery grade lithium carbonate at 99.599% purity](#).

Closing remarks

It looks like all the pieces of the puzzle are now coming together very nicely for Neo Lithium. Successful pilot ponds achieving fast brine evaporation (pilot scale), low impurities and ability to produce battery grade lithium carbonate, rising lithium demand and prices, abundant cash reserves (as of April 1, 2021 cash was C\$59 million) and the world's largest battery manufacturer CATL as a strategic investor and taking a seat on the board.

[CATL recently increased their initial investment](#) to maintain its 8% ownership in Neo Lithium with a C\$2.6 million investment at C\$3.05/share. When the world's largest lithium-ion battery manufacturer chooses you there can be no greater endorsement.

Neo Lithium trades on a market cap of just C\$348 million and remains one of the very best potential near term lithium producers for investors to consider. 2021 should be a landmark year for Neo Lithium.

Disclosure: The author is long Neo Lithium Corp. (TSXV: NLC).

As Neo Lithium Works Towards Final Feasibility, CATL Maintains Ownership Stake

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This week Contemporary Amperex Technology Co. Limited (CATL) [announced](#) it was maintaining its 8% ownership stake in [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF | FSE: NE2) by completing a C\$2.6 million equity investment that was triggered

after Neo Lithium closed a C\$30.2 million financing last month.

CATL completed its original investment of C\$8.5 million, representing an 8% equity stake, in Neo Lithium, in September 2020.

CATL is a leader in the development and manufacturing of lithium-ion batteries, with divisions covering production, research & development, and sales of battery systems for electric vehicles (EVs) and energy storage systems. According to a report by SNE Research in 2020, CATL ranked number one in terms of EV battery consumption volume for four consecutive years.

Neo Lithium is advancing its 100% owned Tres Quebradas (3Q) project, a high-grade lithium brine lake and salar complex in Argentina. The 3Q Project is located in Latin America's "Lithium Triangle" and covers 350 KM² (~86,500 acres) in the largest lithium-producing area in Argentina.



[Source:](#)

Recent Financing Accelerates Project

Last month, Neo Lithium closed a C\$30.2 million [bought deal financing](#). The Company intends to use the net proceeds from the financings to fund development work at the 3Q Lithium project and begin construction of the larger evaporation ponds with a view of getting the project into production by 2023.

The 3Q Project

The 3Q Project is one of the highest-grade lithium deposits in the world with an average grade of over 1000 mg/litre of lithium.

The project also has a large Proven & Probable Reserve of 1.2 million tonnes of LCE, from a larger Measured & Indicated Resource of 4.0 million tonnes, and also has an Inferred Resource of 3.0 million tonnes of LCE.

Extraction of lithium from liquid brine reservoirs involves pumping the brine from underground into evaporation ponds. Through evaporation over a period of a year or until most of the water has been removed, the concentrated brine is further processed in a plant into lithium carbonate.

Neo Lithium has been operating test evaporation ponds for more than three years and a pilot lithium carbonate plant for almost two years.

In January, Neo Lithium announced that its Pilot Plant produced Battery Grade lithium carbonate to 99.797% purity, up from 99.599% previously. According to the Company, the purity and quality already meet worldwide premium specifications and are very close to CATL's high standards of product quality.

The process improvement is expected to reduce capital and operational costs while minimizing power, reagent, and water consumption.



[Source:](#)

Robust Pre-Feasibility with Full Feasibility Due in Q3 or Q4

In March 2019, Neo Lithium released a pre-Feasibility Study on the 3Q Project that included an initial Capital Expenditure of US\$319 million, an after-tax Net Present Value (NPV) of US\$1.14 billion, and an Internal Rate of Return of 49.9% over a 35-year mine life that would produce 20,000 tonnes of lithium carbonate per year and annual EBITDA of US\$167 million.

The company is on track to deliver the Final Feasibility Study in the late third quarter of early fourth quarter this year.

EV and Lithium Market

Electric vehicles currently represent less than 4% of the market share but are expected to grow to 30% in the next 10 years.

Lithium is a key material for rechargeable batteries that will be part of the global energy transformation to electric vehicles from fossil fuels cars.

The accelerating EV demand could tighten the current supply of lithium in the market so lithium producers need to come on stream to help meet demand.

Final Thoughts

With the recent financing, Neo Lithium has a significant cash position of approximately C\$59 million although it plans to spend at least C\$30 million this year to advance the construction of the evaporation ponds.

Upcoming milestones for the year include the construction and environment permits, the Final Feasibility Study, and a larger financing of approximately C\$260 million to fund the construction of the processing plant.

The Company is in a solid position to benefit from the increase in demand caused by the shift towards the electrification of transportation.

Neo Lithium closed just shy of C\$3.00 and below its 52-week high of C\$3.88 with a market capitalization of C\$382.9 million.

Neo Lithium's Gabriel Pindar on the rising demand for lithium in electric vehicles

written by InvestorNews | January 13, 2022

In a recent InvestorIntel interview, Tracy Weslosky spoke with Gabriel Pindar, COO and Director of [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF) about their recent [news release](#) about CATL increasing its investment in Neo Lithium.

CATL is one of the largest battery manufacturers for electric vehicles in the world which made a strategic investment in Neo Lithium in September last year. In this InvestorIntel interview, which may also be viewed on YouTube ([click here to subscribe to the InvestorIntel Channel](#)), Gabriel went on to say that CATL is expanding its plants globally and “for every one of those plants they will need more materials. That is why they are talking to us about lithium.”

Neo Lithium was recently named to the 2021 OTCQX® Best 50. Speaking on the competitive advantages of Neo Lithium's 3Q Project, Gabriel said that it is a high-grade lithium brine project which is “one of the lowest impurity projects in the market” which allows for efficient lithium carbonate production.

To watch the full interview, [click here](#)

About Neo Lithium Corp.

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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.

To learn more about Neo Lithium Corp., [click here](#)

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Neo Lithium closes CATL strategic investment and looks to be the leading lithium junior miner

written by InvestorNews | January 13, 2022

It's not every day that the world's largest battery manufacturer chooses to invest in your company. There are literally almost one hundred junior lithium miners (not yet in production) to choose from. Yet the world's largest battery manufacturer, Contemporary Amperex Technology Co. Limited (CATL), has chosen to partner with [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF), [with an initial 8% equity investment deal closing yesterday](#). Why did they choose Neo Lithium?

Why Neo Lithium?

Neo Lithium has the best undeveloped global lithium brine project in the world. Here are 7 reasons why they are the best:

1. Neo Lithium 100% own, and has fully paid, their 3Q lithium project in Argentina. Neo Lithium own the entire salar, which covers 160Km² (6th largest salar in the world). This means they won't ever have an issue of competing for lithium from their salar, unlike several other lithium brine miners who share their salar.
2. The 3Q Project has the 4th highest lithium grade globally, or the 3rd highest if counting only their high grade core. The average grade to be mined for the first 10 years is forecast to be [1,000 mg/L](#) lithium.
3. The 3Q Project has the lowest level of impurities globally. This should result in the 3Q Project having industry lowest quartile operating expenses (OpEx forecast of [US\\$2,914/t LCE](#)) and also low capital intensity; that is the CapEx required to produce a certain amount of lithium carbonate equivalent (LCE).
4. The 3Q Project has a significant lithium P&P reserve ([1.3Mt LCE](#)) and a very large lithium M&I Resource (4.0Mt LCE). Mine life is forecast at [35 years](#) taking into account only 1/3 of the known resource.
5. The 3Q Project has an [outstanding PFS](#), including a post-tax NPV8% of US\$1.144 million, post-tax IRR of 49.9%, and CapEx of US\$319 million, based on 20,000t pa LCE production, and assuming a life of mine lithium carbonate average price of US\$11,882/t. Payback is just 1 year and 8 months.
6. The 3Q Project is already at a fairly advanced stage. The 3Q project site is now advanced with construction including pilot ponds, improved access, and

infrastructure. The Environmental Permit is granted for Exploration, Mining and Development. All permits are granted for the chemical plant. [Final Environmental permit](#) for construction has been presented to the government and is in the process of approval. An agreement is in place with local municipality to build the lithium processing plant in Fiambalaon on government land near town.

7. Neo Lithium is well cashed up with [C\\$37 million](#) in cash.

Neo Lithium is a standout on all metrics



Source: [Neo Lithium company presentation](#)

Looking ahead Neo Lithium is targeting to complete a final Feasibility Study in Q2 2021, obtain the EIA for final construction permit, then to ideally complete financing discussions with CATL to fund the project and assign off-take. All going well a final investment decision would then be made, project construction would occur over about 1 year, and then begin lithium production in 2022. Investors should note that miners don't always hit these targets, and should view them as aspirational.

About Contemporary Amperex Technology Co. Limited (CATL)

CATL is China's and the world's largest battery manufacturer, based on 2019 figures. They are also one of [Tesla's](#) preferred battery suppliers for China. [CATL also supplies](#) PSA, Hyundai, Honda, BMW, Daimler AG, Toyota, Volkswagen, and Volvo. In China, CATL's clients include BAIC Motor, Geely Automobile, GAC Group, Yutong Bus, Zhongtong Bus, Xiamen King Long, SAIC Motor and Foton Motor.

According to Fitch Ratings: “CATL had a global share of 28% of lithium-ion battery installation volume in 2019. CATL’s strong market position is driven by the large Chinese electric vehicle (EV) market, which accounts for about 50% of global EV shipment, and CATL’s dominant position (54% market share) in this segment.”

CATL is currently in talks with Indonesia to build a US\$5 billion lithium-ion battery factory in Indonesia, with plans to commence production by 2024.

CATL was the world’s largest lithium-ion battery supplier in 2019



Source: Bloomberg Green

Closing remarks

Neo Lithium is looking like the most exciting lithium junior (non-producer) in the market right now. They have outstanding project metrics, a very strong PFS with a post-tax IRR of 49.9% with low CapEx/low OpEx and a 35 year mine life, an advanced stage project, and the world’s largest battery manufacturer as their equity partner. What more could you want?

Neo Lithium trades on a market cap of just C\$175 million.

Disclosure: The author is long Neo Lithium Corp. (TSXV:NLC).

Announced today the UK gasoline and diesel car sales ban by 2030 is a strong tailwind for Neo Lithium

written by InvestorNews | January 13, 2022

Today the U.K. Prime Minister Boris Johnson announced about his [ten point green plan](#). Perhaps the two biggest parts of the plan are – **“UK sales of new gas and diesel cars to be banned from 2030”** and **“quadruple U.K. offshore wind production to 40GW by 2030”**. The implications for the electric vehicle (EV) and wind sectors are enormous. One common denominator for EVs and wind energy is that they need batteries to store the energy. This means demand for batteries and for battery metals such as **lithium** is set to boom this decade. In the US, also [announced today](#), a group of more than two dozen utilities, EV-charging companies, battery suppliers and EV manufacturers have formed the Zero Emission Transportation Association (includes Tesla) calling for emissions caps and 100% EV sales in the USA by 2030.

Even prior to today's announcements the lithium sector has been forecast for demand to increase [“more than six times”](#) this decade (from 2019 levels to end 2029), as the EV and energy storage booms take off. The chart below was done before the latest news of a Biden victory and the Johnson Green Plan, meaning that the demand curve will likely be significantly larger.

Lithium looks to be heading towards very large deficits later this decade as demand soars



[Source](#)

With all of this demand for lithium in the years ahead one company looks extremely well placed to ride the next wave of the lithium boom. That company is [Neo Lithium Corp.](#) (TSXV: NLC | OTCQX: NTTHF).

Neo Lithium 100% own (and has fully paid) their Tres Quebradas ("3Q Project") lithium project in Argentina. The Project is a standout for numerous reasons.

- Neo Lithium 100% own the entire salar, which covers 160Km² (6th largest salar in the world).
- The 3Q Project has high grade lithium brine (3rd-4th highest globally).
- The 3Q Project has extremely low impurities (the lowest globally). This should result in 3Q having very low capital intensity to develop and industry lowest quartile operating expenses (OpEx).
- The 3Q Project is already at a fairly advanced stage and looks set to be a likely near term lithium producer.

Neo Lithium's 3Q Project ranks 3rd-4th for the highest lithium brine grades globally



[Source](#)

Neo Lithium looks set to be the next major new lithium brine producer following Lithium Americas



[Source](#)

The [2019 amended Preliminary Feasibility Study \(PFS\)](#) resulted in

a post-tax NPV8% of [US\\$1.14 billion](#) and IRR of 49.9%, payback of < 2years with a 35 year mine life. The PFS was based on an initial 20kt pa lithium carbonate production and has a CapEx of US\$319M and OpEx of US\$2,914/t lithium carbonate. These are excellent numbers.

Neo Lithium has another huge plus going for them. That is, China's and the world's largest battery manufacturer, Contemporary Amperex Technology (CATL), is a [strategic investor](#) in Neo Lithium with an [8%](#) equity stake and board representation.

The 3Q Project is quite advanced with some pilot ponds already constructed and a lot of infrastructure already in place. The Environmental Impact Statement (EIS) is currently under assessment with results due out soon. The Feasibility Study (FS) is underway and is due out by end Q2, 2021, assuming no COVID-19 disruptions.

CATL will also be a part of the technical committee that will be leading the FS forward. While this does not yet guarantee CATL off-take rights it puts them in a prime position. Once the FS for the 3Q Project is completed, I strongly suspect that CATL will assist in the financing plan for the future construction of the 3Q Project, and collect significant lithium off-take rights. CATL is a very large company with over US\$60 billion in market capitalization and over US\$3 billion in cash. Also of relevance was yesterday's announcement that [CATL will invest \\$5.1 billion for a battery factory in Indonesia](#). No doubt it will need plenty of lithium.

Closing remarks

Neo Lithium's 3Q Project is arguably the best and next lithium brine project set to go into production after Lithium America's Cauchari-Olaroz Project, both in Argentina. Management is top tier led by [Waldo Perez](#), who discovered both the projects

mentioned just above. If all goes well with the FS, CATL relationship, and project funding, it is possible to see Neo Lithium commence production by late 2022 or early 2023. This would be perfect timing as the EV boom should be taking off at that time as EVs and Internal Combustion Engine vehicles reach purchase price parity. The UK gasoline and diesel ban by 2030 and the US Zero Emission Transportation Association call for 100% EVs by 2030 are all just icing on the cake.

Risks exist due to not yet being a producer and the risks involved with lithium prices and sovereign risk in Argentina.

Neo Lithium currently trades on a market cap of C\$182M. Investors should not wait too long as the EV trend is very rapidly gaining momentum (notably in China, Europe, UK and USA) and quality lithium miners like Neo Lithium have potential to be huge winners this decade.

Disclosure: The author is long Neo Lithium Corp. (TSXV: NLC).