Global leader in lithium-ion batteries invests in what many believe will be the next major lithium producer

There is a very high probability you are reading this on your smartphone, tablet or laptop. If that is the case, you know the value of lithium, because it’s in the battery powering your device.

Until some better storage system comes along, lithium-ion batteries are the industry standard. There is much talk about improving lithium battery performance using platinum group metals, carbon nanotubes etc., but that is not now.

Lithium is not like oil – it’s pretty much everywhere on Earth, according to Elon Musk. But like oil, the devil is in the details – extraction costs are key.

Enter Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF), a C$110 million market capitalization company that proudly proclaims to be “the next major lithium producer” with its Tres Quebradas (3Q), located in the Lithium Triangle in South America. The project is located at the southern end of the triangle in northern Argentina.

Source: Neo Lithium

Lithium is mainly sourced via hard rock mining (spodumene) or brine production. The majority of the mining projects are located in Australia while brine production is centered around the Lithium Triangle, which has an estimated 75% of global lithium reserves according to the US Geological Survey, although other reports state that the area only contains just over 50% of global reserves. In any event, the area does

account for 40% of global lithium production and 90% of global brine production.

Brine production of lithium in South America is in the high altitude (~4,000 meters elevation) salt flats (salars) in the Lithium Triangle and is accomplished through a pond evaporation process. The Lithium Triangle is ideal for this, as it is characterized by very arid conditions, solar radiation and dry winds, resulting in high evaporation rates. Lithium brine extraction in the area has been underway for more than 25 years, so this is not "new" technology.

Like any commodity, the view to significantly increased demand in the past 5 years resulted in a rush to develop new lithium mining projects. This led to an oversupply situation and a significant downturn in lithium prices in 2019. But, with the rush to electric vehicles, absent any new battery technology, experts anticipate a ten-fold increase in demand for lithium over the next decade and only a three-fold increase in supply in the next five years – demand could outweigh supply and result in significantly higher lithium prices.

OK – now you understand….lithium may be a great place to invest for the future.

Neo Lithium is well on its way to becoming one of the next lithium producers in the Lithium Triangle. The Tres Quebradas project is 100% owned by the company and was discovered in 2015, so this is not something that is just a concept project. A preliminary economic assessment was completed in late 2017 and an updated resource estimate (NI 43-101) was completed in July 2018 with a 227% increase in Measured and Indicated categories. The results of a Preliminary Feasibility Study were announced in March 2019 with a $1.1 billion NPV at 8% discount rate ($587 million NPV at 14%) and an Internal Rate of Return of 50%. In addition, a pilot plant began operations in 2019 resulting in 99.1 % lithium carbonate in the first batch, improving to battery grade lithium carbonate (99.6%

lithium carbonate) from the pilot plant in March 2020.

A long five year journey through discovery, evaluation, permitting and pilot plant has confirmed that this project has a high grade, low impurity deposit. The final feasibility study is currently underway and expected as early as Q1-2021 along with the final EIA for the final construction permit. The company believes that the Tres Quebradas project is the third highest grade project in the world and the chemical makeup of the deposit should result in low operating costs and resultant high profitability.

To confirm this sentiment, a subsidiary of Contemporary Amperex Technology (CATL), a leading Chinese battery manufacturer and technology company, entered into an equity subscription agreement in September 2020 to invest $8.6 million in new equity in the company. CATL will have Board of Director representation and pre-emptive rights to participate in future equity offerings to maintain its proportionate ownership.

The investment by CATL increases the company’s cash holdings to approximately $37 million and aligns Neo Lithium with a significant global lithium-ion battery maker that specializes in the manufacturing of lithium-ion batteries for electric vehicles and energy storage systems, and battery management systems. It should also give the company access to additional expertise for future development.

There is no question that the world needs more lithium. As with any commodity, supply and demand are rarely in balance, so the best-in-class companies are always the lowest cost operators with the best resources. The company is one of 86 companies presenting at the 121 Mining Investment Online conference October 28-30, 2020. More exposure for a developing story and more investor interest is always good for a publicly listed company like Neo Lithium.

Ultra Lithium CEO on high grade lithium advantage

Weiguo Lang, CEO, President and Director of Ultra Lithium Inc. (TSXV: ULI) ("Ultra Lithium") in an interview with InvestorIntel Senior Editor Peter Clausi discuss Ultra Lithium's lithium projects in Argentina and Northern Ontario, Canada. Weiguo states Ultra Lithium's Canadian project is a high-grade hard rock pegmatite deposit, with a grade of "1% to 1.5% lithium oxide." In Argentina, Ultra Lithium has 4 properties, with 12 claims, for a total area of "25,000 hectors". Weiguo shares that one of these properties has historical drilling results showing "220 ppm of lithium"…to access the complete interview, click here

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Neo Lithium: On-track to join the ever-growing ranks of producing juniors

Lithium has unquestioningly become a critical material, and the industry has really come into its own over the last few years. All signs point to an increase in demand of around 20,000 tonnes per year for at least the next few years, and hundreds of projects are creeping towards production. Neo

Lithium Corp. (TSXV: NLC) (“Neo Lithium”) is well on-track to join the ever-growing ranks of producing juniors.

Neo Lithium entered into a $25m bought deal financing with Sprott Capital Partners following excellent progress on their promising brine and salars project. The company will issue 22.73 million units at a price of $1.10 per unit. The net proceeds, some $25m, will be used primarily to advance Neo Lithium’s Tres Quebradas project in Catamarca Province.

Neo Lithium is a relatively new junior on the scene, having floated on July 20, 2016 at CAD 1.20 per share. The stock did well and reached its year high of CAD 2.09, then retreated slowly back to a year low of CAD 0.91, recovering since then to its original CAD 1.20. In July 2016, lithium hype was running very strong, and we believe that the recent price dip has created an excellent entry point for anyone who missed the boat first time around.

The 3Q Project is located in the southern end of the “Lithium Triangle” in the Puna Plateau. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. Preliminary brine sampling results indicate these values are comparable, and in most cases higher, than current producing mines or projects under construction.

The largest lithium brine projects in the world are located in salars in the Lithium Triangle. The Project is located in the southwestern portion of the Catamarca Province of Argentina, the largest Lithium producing province of Argentina. The closest paved road to the Project is Ruta Nacional 60, which connects the capital city of San Fernando del Valle de Catamarca, to Copiapó and the seaport of Caldera, via Paso de San Francisco. Neo Lithium is sole owner of the extensive brine/salar reservoir complex, which remains one of the lowest impurity brines in the industry.

Last year the company published geophysical results, which suggest that the northern portions of the project, including the northern reservoir and northern salar, were larger than originally thought by around 3km, taking it to approximately 100km², and extending down to approximately 100 metres under the northern reservoir and as deep as 300 metres under some sectors of the 3Q salar. Thus, the company's total claim encompasses a recorded 300km² of the lithium triangle. Importantly, this claim houses the large lake-like complex and there are no competing claims to this property from any competitors.

CEO Waldo Perez had this to say regarding the geophysical results:

> *"The final geophysical survey results on the 3Q project are very impressive and encouraging. These results indicate that the highest-grade lithium zone is extensive and deep, generating a much larger target than originally anticipated."*

The results of various studies completed by Neo Lithium show that for every hectare of solar evaporation pond constructed, approximately 25 tonnes of lithium carbonate could be recoverable, very similar to other projects in the region. The results of the studies also demonstrate that the brine could produce potash as a by-product during the simple evaporation process, creating the potential for additional revenue at a later stage. With these results in hand, Neo Lithium has already forged ahead in designing a single hectare pilot pond series that will be constructed on-site to test these results.

Alset Energy's "encouraging lithium results" in Gigafactory country

Three years ago, Elon Musk announced he was building the world's largest lithium-ion battery manufacturing facility and the consequences were, of course, many. The Nevada Gigafactory site would be the factory-to-end-all-factories and junior mining companies the world over flocked to meet its hypothetical demands, driven by the promise to push lithium battery demand to an unprecedented scale.

Tesla quickly became a symbol that the cleantech world could be bigger and more powerful than petroleum. The very idea of it shifted the trajectories for both the automotive and energy-storage industries. This shift is behind by a projected 60% increase in electric vehicle ("EV") sales for this year; all without a single battery being produced.

2017 should see the Colossus of Sparks roll its conveyors for the first time, ideally transitioning from promises to proof – and there is a lot to prove. Currently, there are only three notable lithium brine regions globally, namely; South America's Lithium Triangle, Clayton Valley – not far from Tesla in Nevada – and Tibet. Apart from these three, Tesla has shown some interest in Mexican lithium production and Allan Barry Laboucan, CEO of Alset Energy Corp. (TSXV: ION) ("Alset") believes that he can kick-start the area into becoming the fourth globally renowned lithium brine region.

Despite the fact that Mexico has no history of lithium production, Alset recently took the decision to sell its one promising lithium project in Ontario to focus on the Mexican salars. The lithium/potassium bearing salars within these concessions have produced common table salt since the 16th

century. Who knew then that this brine contained elements that would someday rival silver in value? These elements of course are lithium and potassium

What is amazing about the region is the high lithium concentration in the lagoon. Mexican government scientists analysed four samples of the lagoon water, showing concentrations up to 21,000 mg/l. For perspective, Albermarle's Silver Peak operation in Nevada's Clayton Valley concentrates lithium to about 7,000 mg/l by evaporation before feeding it to the lithium chemical production operation. So, without doing any concentrating, the salt plant produced a solution three times stronger than what is required for lithium chemical production.

Another interesting revelation was that the samples all contained silver, ranging from 0.5 ppm to 4.3 ppm. Geothermal activity is one of the first order characteristics in the preliminary deposit model for formation of lithium brines. The silica sinters and carbonate growth textures identified at the Mexican salars are ample evidence of the geothermal activity required. It is worth noting that this same geological process is also what typically produces many gold-silver deposits and these Mexican salars are situated in one of the most prolific silver producing regions in the world. Alset medium term plans is to follow up on the silver potential of these projects.

Allan Barry Laboucan, President and CEO of Alset shared the following thoughts on the project:

> *"We have just started the first phase in testing the chemical composition of our salars and our team is delighted with the results. In addition to the encouraging lithium results the potassium grades are encouraging as well. Currently Mexico imports all of its potassium and a domestic source would not only be a cost saver for Mexico but would create job opportunities in a crucial commodity for the farming sector. Furthermore, the silver results suggest*

there may be potential for precious metals and further work is required to assess this potential.”

Laboucan went onto reiterate that Alset is in the very early stages of assessing the realistic potential of the projects and went onto share his excitement about the results so far.

Given the current test results, we are also excited about the project’s potential. While we caution that it is indeed early days, we are looking forward to the upcoming sample leach tests prior to drilling at several of the salars in the early part of 2017.