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

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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.

Which Metals will benefit from the EV Boom in 2022 and after?

written by InvestorNews | January 13, 2022

2021 has been a triumphant year for electric vehicle (EV) metal miner stocks. This is because EV sales are on track to grow ~100% on 2020 sales, which has led to surging demand for the EV metals lithium, cobalt, graphite, nickel, neodymium-praseodymium (NdPr), and dysprosium (Dy).

China lithium carbonate prices led the way rising from CNY 43,750 (US$6,859/t) to CNY 232,500 (US$36,452/t) in 2021, for a 5.3x gain. Cobalt prices have risen from US$14.51/lb to US$31.42/lb in 2021, for a 2.2x gain.

All of this demand for EV metals has also led to a surge in takeovers and strategic buy-ins in 2021. The Chinese have again led the charge leaving the Western world asleep at the wheel, as I discuss below.

China lithium carbonate prices have risen 5.3x so far in 2021

Source: Trading Economics

China leads the lithium takeover charge as the Western world is left asleep at the wheel

The same theme of the past several years continued in 2021. While the West talked about acting, China and even Russia acted, with China making some big moves.

Take a look at the lithium takeovers and buy-ins during 2021 summarized below.

- **Bacanora Lithium PLC** (AIM: BCN) – Taken over recently by China's Ganfeng Lithium.
- **International Lithium Corp.** (TSXV: ILC) – Mariana Project final project share buyout by China's Ganfeng Lithium.
- **Ioneer Ltd (ASX: INR)** – South Africa's Sibanye-Stillwater invested US$490 million for a 50% interest in the Rhyolite Ridge Lithium-Boron Project.
- **Millennial Lithium Corp.** (TSXV: ML | OTCQX: MLNLF) – Bidding war (Ganfeng, CATL, LAC) eventually won by Canada's Lithium Americas Corp. (TSX: LAC | NYSE: LAC) with a 100% company buyout offer for C$4.70 per share.
- **Neo Lithium Corp.** (TSXV: NLC | OTCQX: NTTHF) – 100% company buyout by China's Zijin Mining at C$6.50 per share.
- **Arena Minerals Inc.** (TSXV: AN) – China's Ganfeng Lithium project and equity stake, Lithium Americas initially equity stake then increased equity stake.
- **North America Lithium Inc.** ("NAL") – Australia's Sayona Mining (ASX: SYA) (75%) & Piedmont Lithium Inc. (Nasdaq: PLL | ASX: PLL) (25%) acquire NAL.
- **AVZ Minerals Limited** (ASX: AVZ) – Sold 24% of the Manono lithium and tin project JV to China's Suzhou CATH Energy Technologies (jointly owned by Chinese battery maker CATL) for US240 million.
- **Global Lithium Resources** (ASX: GL1) – China's Yibin Tianyi (owned by CATL, the world's largest battery manufacturer) to invest $6.2 million for a 9.9% equity interest in Global Lithium Resources.
- **Alpha Lithium Corporation** (TSX.V: ALLI) – Russia State backed Uranium One (TSX: UUU) agrees to buy 15% of the Tollilar salar for US$30 million, option/right to buy a

further 35% for US$185 million.

Of the ten mentioned above, six of the ten buyers are Chinese companies, one is Russian, one is South African, one is Canadian, and one is Australian. What is also interesting is that with the Alpha Lithium Tolillar salar deal the buyer is a Russian 'state backed' company with significant plans to acquire more global lithium assets.

2022 will see Tesla dramatically ramp up production and require significantly more EV metals

In 2022 Tesla is likely to exceed 1.5 million electric car sales, up from around what should be about 900,000 in 2021 (a 2/3rds production increase estimate for 2022). Tesla has their Texas gigafactory and their Berlin gigafactory about to open and officially start production, will be expanding giga Shanghai, and will see huge sales of Model Y, some Tesla Semis, and finally the start of production of their Cybertruck in late 2022. All of this will require a dramatic increase in EV metals demand from Tesla in 2022, potentially about a 66% increase based only on the 2/3rds increase in production forecast.

Chinese EV companies such as leader BYD Co with their own huge expansion plans, look set to chase Tesla again in 2022. They will also require significant additional volumes of lithium in 2022.

Global electric car sales look set to rise from 3.24 million in 2020 to exceed 6 million in 2021. My forecast for 2022 is 10 million.

Tesla is set for a huge increase in production in 2022 (Texas gigafactory as of August 31, 2021, set to open very soon)

Source: iStockphoto

Closing remarks

2021 saw the world wake up to the fact that electric vehicles are taking off and will largely replace conventional cars this decade, at least in most parts of the world. The ~100% surge in electric car sales during 2021 has caused an immediate impact on the EV metals supply chain, with a resulting huge 5.3x price increase in lithium, and large increases also in cobalt, nickel and NdPr prices. Graphite looks likely to follow next.

Meanwhile, the Chinese pounced yet again, buying up or into 6 of the 10 major lithium acquisitions in 2021. The other four were made up with one each from Russia, South Africa, Canada, and Australia. Sadly again the Americans were absent!

Will 2022, under Biden's lead, finally see the US awaken. I think it is possible, after all Tesla is massively ramping up their production in 2022.

I hope 2022 will be the year the US wakes up and starts to secure their EV metals supply chain. Because if they don't, the Chinese will continue to dominate EV supply chains globally leaving the US auto industry at their mercy.

InvestorIntel's Top 10 Trending List for November

2021

written by InvestorNews | January 13, 2022
In this InvestorIntel video, Tracy Weslosky lists InvestorIntel's Top 10 Trending articles and videos on InvestorIntel.com for the last 30 days. You may find this quite interesting as this Top 10 list provides an indicator of what market trends our audience is finding interesting.

Presently trending #1 on InvestorIntel.com is Frederick Kozak's take on the top 5 rare earths companies for 2021. Our Australian Editor Matthew Bohlsen's coverage on the Australian Government's extension of a $2 Billion loan facility for the critical materials industry is trending #2 followed by an update on Lynas Rare Earths Limited (ASX: LYC) trending #3. Appia Rare Earths & Uranium Corp. (CSE: API | OTCQB: APAAF) is presently trending #4 with their article written by Dean Bristow titled – Biden, the Chinese raw material hunt and the 'massive' monazite results of Appia Rare Earths & Uranium. Trending #5 is Tracy Weslosky's update on Neo Lithium Corp.'s (TSXV: NLC | OTCQX: NTTHF) acquisition by China's Zijin Mining Group.

Here is the complete list of InvestorIntel's Top 10 Trending Articles and Videos on InvestorIntel.com for November 2021.

1. The Top 5 Rare Earths Companies for 2021 https://bit.ly/3shB8X4
2. Australian Government extends a $2 Billion loan facility for the critical materials industry https://bit.ly/3AX4gqv
3. Lynas Rare Earths, making record profits and growing to meet the EV demand https://bit.ly/3m65cSW
4. Biden, the Chinese raw material hunt and the 'massive' monazite results of Appia Rare Earths & Uranium https://bit.ly/3lKR82m

5. China pays full value for Neo Lithium, the bull market has arrived. https://bit.ly/3Fxco3w
6. Byron King's Top 5 "Outstanding" Yukon Gold (and Silver) Mining Names https://bit.ly/2WFj9yL
7. North American Rare Earth Juniors Consolidate Capabilities to Advance Towards a Total Domestic Supply Chain https://bit.ly/3bai3ia
8. Cesium, A Critical Metal and an Opportunity for Avalon Advanced Materials https://bit.ly/3ByGhOu
9. U.S. nuclear power generation at historical heights as investors buy uranium https://bit.ly/2XlRrY0
10. Canada's Voyageur Pharmaceuticals Breaking a Chinese Monopoly https://bit.ly/3usOgdb

To watch the full video, click here

Biden, the Chinese raw material hunt and the 'massive' monazite results of Appia Rare Earths & Uranium

written by InvestorNews | January 13, 2022

While the Biden Administration fixates on solving the port problem in the United States, China continues to dominate the Western world's supplies of, when it comes to the bigger picture, critical metals and materials. Literally, at the same time the US government is trying to focus on the issues right in

front of it that may disrupt Christmas (*heaven forbid*), Chinese companies continue to seek out and lock up more of the raw materials that will drive the future. In just the last few days, Zijin Mining Group Co., Ltd. launched a C$960 million takeover bid for Canadian domiciled Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF), while Contemporary Amperex Technology Co. Limited (CATL), the world's largest battery supplier and ironically already part owner of Neo Lithium, signed a battery supply deal with U.S. commercial EV maker, Electric Last Mile Solutions Inc. (NASDAQ: ELMS). Three weeks ago CATL made a C$377 million takeover bid for Canada's Millennial Lithium Corp. (TSXV: ML). Zijin is no stranger to taking out Canadian mining companies having previously acquired Nevsun Resources (C$1.86 billion), Guyana Goldfields (C$323 million), and Continental Gold (C$1.4 billion), and those were just some of its Canadian targets.

From an investor's perspective, I guess this takeover activity can be viewed as a good thing given that these Chinese entities are paying full value for their acquisitions. So you get your liquidity event and hopefully have made money to go off and find the next possible target. But it is disappointing to see the West talk the talk about our greener future but not walk the walk as our leaders appear to be completely oblivious as to how we'll get there if we let China control all the raw materials. I will save that rant for another day. In the meantime let's have a look at a company that could tick the boxes for a potential acquisition by the Chinese.

Of late it seems the flavour of the day is lithium but that isn't the only critical material out there. The Chinese have long since cornered the market for rare earths but if no one is willing to stop them, or even slow them down, then why wouldn't they continue to acquire everything the world will let them. One Canadian junior mining company that could fit the bill is Appia Rare Earths & Uranium Corp. (CSE: API | OTCQB: APAAF), or

perhaps you know it by its former name Appia Energy Corp. but that was so yesterday (today is literally the first day trading under its new name). Appia is a Canadian publicly-listed company in the uranium and rare earth element sectors and is currently in its largest exploration and diamond drilling program in the Company's history, focusing on delineating high grade critical rare earth elements, gallium, and uranium on its 100% owned Alces Lake property, as well as exploring for high-grade uranium, in the prolific Athabasca Basin, on its Loranger, North Wollaston, and Eastside properties. Appia has found some of the highest grade samples of neodymium rich monazite on its properties in Saskatchewan.

The Alces Lake discovery of an accessible extensive hard rock deposit of monazite is very important to the world's demand for magnet rare earths. This is because Appia's monazite is neodymium rich, which is the most desirable for the production of rare earth permanent magnets. Not only is it rich in neodymium (Nd) and praseodymium (Pr), but also contains 1% of xenotime, the best heavy rare earth bearing hard rock mineral. The good news is that yesterday the Company announced it has discovered new and previously unknown occurrences of massive and semi-massive monazite in the Wilson North area of Alces Lake. A total of 27 drill holes (2,460 m) have been completed at the Wilson-Richard-Charles-Bell zones (WRCB), with at least 27 holes (2,360 m) remaining. In total the Company has completed 61 drill holes (4,575 m) including drilling at Biotite Lake (13 holes – 685 m), Danny (7 holes – 430 m) and Sweet Chili Heat (14 holes – 995 m) with monazite occurrences identified in each area. One drill continues to test the continuity and depth extent of the WRCB zones, while the other moves across the property, exploring new drill targets, named Diablo and Oldman River.

Source

With assays pending for all 61 holes drilled to date in the 2021 program, it's certainly exciting times for Appia. The Wilson North 21-WRC-015 drill hole showed monazite mineralization over 8.85 m from 15.74 m – 24.59 m. As noted above, three other locations also saw monazite occurrences. If the grades in this season's drill holes match the world class grades previously announced things could get very interesting very quickly. The Company is well funded to complete this season's drilling with plans to prepare an NI 43-101 report following the conclusion of the current exploration program later this year. With 107.6 million shares outstanding, the current market cap for Appia stands at roughly $82 million. That's chump change given what some of these Chinese companies are throwing around for quality assets.

Keep in mind that for the last few years China has been buying monazite concentrates, thrown off as residues from heavy mineral sands' mining, from all over the world including, until recently, from the USA! China bought 30,000 tonnes last year from Rio Tinto in Southern Africa; and up to another 20,000 tons from Indonesia, Brazil. It is logical to assume that China would have a great interest in a higher grade neodymium rich monazite deposit than Lynas' Mt Weld especially since the Appia material has 1 percent xenotime, which is a higher grade of heavy rare earth rich, xenotime, than Lynas' deposits at Mt Weld.

Appia may be on the cusp of an exciting future.

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.

The Top 5 Lithium Development and Exploration Companies for 2021

written by InvestorNews | January 13, 2022

The electric vehicle boom continues to accelerate in 2021. Global electric car sales for May 2021 were up 199% YoY reaching 6.6% share. Europe sales rose 158% YoY reaching 16% share, China sales rose 146% YoY reaching 12% share. Global electric car sales are forecast to grow as much as 10x this decade, a statistic that is been helped by Europe's recent announcement to effectively ban emission producing cars from 2035, and strictly limit the allowable emissions from 2030.

As a result of the EV and energy storage boom, lithium demand is forecast to grow 11x this decade. More recently the International Energy Agency (IEA) forecast lithium demand to increase between 13x (low scenario) and 42x (high scenario) from 2020 to 2040. While existing lithium producers can expand supply new lithium miners will potentially be needed to fill the supply gap, particularly from 2025 onward.

Here are five lithium development and exploration plays to consider buying now and holding this decade.

1. Sigma Lithium Resources Corp. (TSXV: SGMA | OTCQB: SGMLF)
2. Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF)
3. Critical Elements Lithium Corporation (TSXV: CRE | OTCQX: CRECF)
4. Global Lithium Resources Limited (ASX: GL1)

5. Lithium Energy Limited (ASX: LEL)

Sigma Lithium Resources Corp.

Sigma Lithium 100% owns the advanced stage lithium spodumene Grota do Cirilo Project in Brazil. The January 2019 Resource update for the Grota do Cirilo Project resulted in a resource estimate of Measured and Indicated 45.7 million tonnes @ 1.38% Li_2O and Inferred of 6.6 million tonnes @1.34% Li_2O. Sigma Lithium's Stage 1 Xuxa deposit (part of Grota do Cirilo Project) has a mining permit, pilot plant, and has sold all Stage 1 off-take (220ktpa) to Mitsui. Sigma Lithium is currently working to finalize the Xuxa production complex design and EPC for construction. Sigma has produced a PEA for both Stage 1 and Stage 2, and when combined resulted in a pre-tax NPV8% of US$844M. Stage 1 funding has been arranged and is expected to close soon, subject to due diligence.

Stage 1 lithium production is forecast to begin in H2 2022, Stage 2 to follow about 1-2 years thereafter, then potentially a Stage 3 after that. Sigma Lithium trades on a market cap of C$598 million (~US$472 million). One of the very best near term lithium producers.

Sigma Lithium's proposed layout for Stage 1 and 2 mine planned to produce 440,000 tpa spodumene (66,000 LCE)

Source: Sigma Lithium

Neo Lithium Corp.

Neo Lithium 100% owns the entire salar with their Tres Quebradas (the "3Q Project") lithium brine project in Argentina, covering 160Km^2. The 3Q Project has high grade lithium brine (3rd-4th

highest globally) with extremely low impurities (lowest globally). The 3Q Project is advanced with pilot ponds already constructed and a lot of infrastructure in place.

The updated PFS resulted in a post-tax NPV8% of US$1.14 billion and post-tax IRR of 49.9%, with a 35 year mine life. The PFS was based on an initial 20,000t pa lithium carbonate production and has a CapEx of US$319 million and OpEx of US$2,914/t lithium carbonate. The EIS is currently under assessment with results due out soon. The FS is underway and is due out in Q3, 2021.

Contemporary Amperex Technology Ltd (CATL) (China's largest battery manufacturer) is a strategic 8% equity partner with board representation and pre-emptive rights. This bodes well for funding the project.

Neo Lithium trades on a current market cap of C$421 million (US$332 million). I rate them as one of the best lithium near term producers, with a potential 2023 start-up for production. You can read more in my article here.

Critical Elements Lithium Corporation

Critical Elements is developing their 100% owned Rose lithium spodumene project in Quebec, Canada. Critical Elements also own several other projects with potential for lithium, copper, nickel, zinc, lead, gold, silver, rare earths, and platinum group elements (PGE) as you can read here.

The November 2017 Rose Project Stage 1 Phase 1 Feasibility Study (based on an average production of 186,327t pa of chemical grade lithium concentrate and 50,205t pa of technical grade lithium concentrate) resulted in a post-tax NPV8% of C$726 million with a post-tax IRR of 34.9%, and a CapEx of C$341 million, over a 17 year mine life. Total operating costs net of tantalum by-product credit are forecast to be US$337/t spodumene.

All in all, Critical Elements has a great asset at Rose, and just needs to achieve financing. Possible 2023 or 2024 producer. Critical Elements trades on a current market cap of C$231 million (US$182 million).

Global Lithium Resources Limited

Global Lithium 100% owns the Marble Bar Lithium Project ("MBLP") in the Pilbara region of Western Australia. Global Lithium is a new ASX listing raising A$10 million on May 6, 2021 at A$0.20 per share. The MBLP Archer deposit has a maiden Inferred Mineral Resource of 10.5Mt @ 1.0% Li_2O. The Archer deposit comprises a swarm of spodumene bearing pegmatites over a 3km by 1km zone.

What's quite interesting is that Global Lithium's MBLP is located in the very same Pilbara region as lithium producer Pilbara Minerals (market cap A$4.2 billion) and the Wodgina deposit (Mineral Resources (ASX: MIN)/Albemarle (NYSE: ALB) JV).

It is still very early days with a resource update planned for Q4, 2021. Global Lithium trades on a market cap of just A$35 million (US$25.5 million). High risk/high reward.

Global Lithium 100% owns the early stage lithium spodumene exploration project at Marble Bar, Pilbara region, Western Australia

Source: Company presentation

Lithium Energy Limited

Lithium Energy majority owns two projects – The Solaroz Lithium Project, Argentina (90% owned) and the Burke Graphite Project, Australia (76.5% owned, potential for 100%).

Lithium Energy is a new ASX listing from May 2021, having been spun out from Strike Resources. The Solaroz Lithium Project is spread over 12,000 hectares of very well located lithium tenements within the Salar de Olaroz Basin in Argentina. The Solaroz Project is directly adjacent to the tenements of both Orocobre's project and Lithium Americas (NYSE: LAC)/ Ganfeng Lithium project. This is prime real estate in Argentina.

Lithium Energy is just at the very beginning of their exploration stage and will spend the next two years (assuming the EIA Report is approved) exploring their tenements.

Lithium Energy trades on a market cap of just A$30 million (US$22 million). High risk/high reward. Patience required.

Lithium Energy tenements [red] adjacent to Orocobre [yellow] and adjacent and near LAC/Ganfeng Lithium [blue]

Source: Lithium Energy

Closing remarks

If the forecasts are correct and we see a massive demand wave for lithium the next 10-20 years then there will be a need for a lot more new lithium miners. The five in this article include three potential near term lithium producers (Sigma Lithium, Neo Lithium, Critical Elements Lithium) and two very low market cap early stage lithium explorers (Global Lithium Resources, Lithium Energy Limited).

Be sure to diversify and not to miss one of the biggest trends this decade.

Disclosure: The author is long Sigma Lithium, Neo Lithium, Global Lithium Resources, Lithium Energy Limited

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

written by InvestorNews | January 13, 2022

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 KM^2 (~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.