

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

written by InvestorNews | March 12, 2021

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.

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

lake and salar complex in Latin America's "Lithium Triangle".

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

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

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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 | March 12, 2021

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).

The Technology Metals Show with Neo Lithium's Waldo Perez on the state of the lithium market

written by InvestorNews | March 12, 2021

Technology Metals Show hosts Jack Lifton and Peter Clausi interview Waldo Perez, President, CEO and Director of Neo Lithium Corp. (TSXV: NLC | OTCQX: NTTHF) on the state of the lithium market. "When it comes to lithium there are two places and two sources." Waldo started. "First is the Puna plateau

which is Chile, Bolivia and Argentina for brine resources. 60% of the lithium of the planet is located in an area that covers this plateau.” He continued, “The other source is a mineral called spodumene. This mineral is more common in the planet but the best spodumene is found in Australia.”

In this interview, which may also be viewed on YouTube ([click here to subscribe to the InvestorIntel Channel](#)), Waldo went on to say that CATL – largest battery producer in the world, is a strategic investor in Neo Lithium. He explained that Neo Lithium’s Tres Quebradas (3Q) Lithium Project was selected by CATL because it is the highest grade undeveloped project in the world and has low OPEX and CAPEX. The project has 50% IRR and payback of less than 2 years. To watch the full interview, [click here](#)

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