Neo Lithium Corp. Announces Positive Preliminary Economic Assessment Results on its 3Q Project

30.10.2017 | Marketwired

TORONTO, ON--(Marketwired - October 30, 2017) - Neo Lithium Corp. (TSX VENTURE: NLC) (OTCQX: NTTHF)

- US\$1.13 billion (C\$1.45 billion) after-tax NPV at 8% discount rate and IRR of 24.4%
- PEA based on a production rate of 35,000 tonnes of lithium carbonate per year
- Processing based on simple and proven solar evaporation technology
- Expected mine life of 20 years with a 3 year ramp up period starting 2021
- Fully loaded operating cost of US\$2,791 per tonne of lithium carbonate
- Total capital expenditure of US\$588.7 million

<u>Neo Lithium Corp.</u> ("Neo Lithium" or the "Company") (TSX VENTURE: NLC) (OTCQX: NTTHF) announces the results of preliminary economic assessment ("PEA") for the production of lithium carbonate from its wholly owned Tres Quebrada brine project ("3Q Project") in Catamarca Province, Argentina.

By-products (such as potash, calcium chloride and boric acid) are not included in the PEA, and could potentially add in value to the 3Q Project. All figures are quoted in U.S. dollars. Currency exchange based on current rate.

The PEA was prepared by GHD Chile SA ("GHD"), a leading full-service independent engineering services firm with a second in servicing and analysing the design and construction requirements for some of the largest and lowest cost lithin brine processing facilities in Chile and Argentina.

"We are very pleased to have advanced this project from discovery to PEA in less than two years," stated Waldo Perez and CEO of Neo Lithium. "We will continue to rapidly advance our wholly owned 3Q Project with a view to a full feasibil towards the end of 2018 along with project finance, and mine construction soon thereafter."

"The results highlight that the 3Q Project has the potential to become a significant low-cost lithium carbonate producer, Constantine Karayannopoulos, Chairman of the Company. "The PEA clearly demonstrates the attractive economics as with our 3Q Project. We are looking forward to developing a long-life, low cost operation in an industry that is growing a accelerated pace with robust global demand and interest coming from different parts of the globe."

Preliminary Economic Assessment Highlights

After-Tax Net Present Value ("NPV") @ 8% Discount Rate	US\$1,128 million
After-Tax Internal Rate of Return ("IRR")	24.4%
Capital Expenditures	US\$588.7 million
Cash Operating Costs (per tonne of lithium carbonate)	US\$2,791
Average Annual Production (lithium carbonate)	35,000
Mine Life	20 years
Payback Period (from commencement of production)	1 years 12 month

The economic analysis is based upon measured, indicated, and inferred mineral resources only. Mineral resources that mineral reserves do not have demonstrated economic viability. The PEA is preliminary in nature and includes inferred resources that are considered too geologically speculative to have the economic considerations applied to them that we enable them to be categorized as mineral reserves. There is no certainty that the 3Q Project envisioned by the PEA wil realized. The economic analysis of the PEA is based, among others, on the following main assumptions: a) 100% equit financing; b) construction commencing in 2019; c) production ramp up of three years from 2021 to 2023; and d) all capi operating costs and revenues in the economic model are calculated on a constant U.S. dollar basis.

Capital Costs

The total direct capital costs of the Project are estimated to be \$450.1 million, excluding indirect costs and contingencie total initial capital costs of the project are estimated to be \$588.7 million. Contingency costs are comprised of 15% of the costs.

Description	US\$ Million	
Direct Costs		
Evaporation Ponds and Wells	\$323.0	
Plant Facilities and Equipment	t\$67.3	
Infrastructure and Others	\$59.7	
Direct Costs Subtotal	\$450.1	
Indirect Costs	\$70.8	
Contingency	\$67.8	
Total Initial Capital Costs	\$588.7	
Operating Costs		
Description	US\$000/y	r US\$/tonne Li2CO3
Direct Costs		(intrium carbonate)
Chemical Reactives and Reac	ients \$53.934	\$1.541
Salt Removal and Transport	\$23,620	\$675
Energy	\$10,820	\$309
Manpower	\$4,713	\$135
Catering and Camp Services	\$1,659	\$47
Maintenance	\$1,570	\$45
Direct Costs Subtotal	\$96,317	\$2,752
Indirect Costs		
General and Administration	\$1,359	\$39
Indirect Costs Subtotal	\$1,359	\$39
Production Total Costs	\$97,677	\$2,791

Lithium Markets and Price

Neo Lithium has reviewed a number of publicly available lithium price forecasts and there are some variations between source. For the purposes of the PEA, Neo Lithium used the average pricing assumptions as per below:

	US\$/te	onne			
Year	2021	2022	2023	2024	2025 and
					Long term
	1	2	3	4	5

Lithium carbonate 10,869 11,026 11,273 11,601 11,834

Average lithium carbonate pricing estimate over the life of mine is approximately \$11,760 per tonne.

Base Case Sensitivity Analysis

Discount Rate	NPV After Tax	IRR	NPV Pre Tax	IRR
	US\$ Million	After Tax	US\$ Million	Pre Tax
6%	\$1,474	24.4%	\$2,303	29.4%
8%	\$1,128	24.4%	\$1,792	29.4%
10%	\$859	24.4%	\$1,398	29.4%

Process Studies and Engineering

The process begins with the extraction of brine through production wells. From the wells, the brine is pumped into large

evaporation ponds. The evaporation process in the solar ponds starts with a pre-concentration stage where more than sodium chloride from the brine is expected to crystallize out. This pre-concentration stage has an evaporation period of approximately 160 to 180 days, during which the volume of brine is reduced by approximately 95%.

In order to promote the production of lithium carbonate at the lowest possible cost, the solar evaporation process will be so that the lithium concentration in the brine reaches values in the range of 2.5%. The pre-concentrated brine is then so chemical treatment with sodium sulfate in order to remove most of the calcium present. The precipitation of gypsum an post-concentration will bring the lithium concentration in the brine to approximately 6%.

From there, the 6% brine is to be transported to a processing plant to be built in the town of Fiambala, Catamarca (app 160 km from the 3Q Project).

The processing plant for producing lithium carbonate includes the final purification of the concentrated lithium brine fee lithium carbonate precipitation stage. For this purpose, the conventional process used by lithium carbonate plants in op has been taken as a reference, which includes the following:

Elimination of the boron content by solvent extraction. First stage where boron-free brine is mixed with mother liquor from lithium carbonation stage to dilute lithium to 1% and remove Ca (Calcium) and some Mg (Magnesium). Second stage to the boron-free brine with a mixture of slaked lime and soda ash, to remove low residual levels of magnesium. The purific containing 1% lithium dissolved as lithium chloride, is transferred to three reactors in series, where lithium carbonate is precipitated by the addition of sodium carbonate solution (at 28 wt.%). The slurry containing the precipitated product is from the mother liquor by filtration and is washed with soft water. Finally, the product is dried, classified and packed.

Lithium Resource Summary

	Lithium Grade Cut-Off of 520 mg/L				Lithium Grade Cut-Off of 400 mg/L			
	Measured	Indicated	M&I	Inferred	Measured	Indicated	M&I	Inferred
	Brine Volume (m ³) 1.247E+071.751E+081.875E+083.532E+08			Brine Volume (m ³)				
				3.532E+08	31.247E+073.930E+084.055E+087.418E+0			
	Average Concentration (mg/L)			Average Concentration (mg/L)				
Lithium	792	710	716	713	792	560	567	567
	Tonnage			Tonnage				
Lithium	9,876	124,309	134,185	251,662	9,876	220,135	230,011	420,418
Lithium Carbonate	52,569	661,673	714,242	1,339,546	52,569	1,171,735	1,224,305	2,237,803

Additional information with respect to the 3Q Project and the estimated mineral resources thereon can be found in the 0 technical report entitled "Mineral Resource Estimate Technical Report on the Tres Quebradas Lithium Project, Catamar Province, Argentina". The report is effectively dated as of May 23, 2017. A summary of the resource estimate is highlightable above at two cut off grades: 400 mg/L Li and 520 Mg/L Li. The 20-year mine life is estimated using only measured indicated resources at the higher cut-off grade of 520 mg/L iand inferred resources are not included for this purpose.

Environmental and Permitting Considerations

The Company is fully permitted for the current work program to feasibility and up to construction. The current focus is o studies and Neo Lithium has completed the analysis for flora, fauna, limnology and microbiology for the summer, fall an Social and archeology studies have also been completed. Soil, air, landscape and paleontology studies are expected to completed before the end of the year. These environmental studies are required to support the full environmental impact assessment report that is required, along with an economic study, to obtain a mine construction permit. As mentioned is previously issued news release dated September 6, 2017, this environmental impact assessment report is expected to completed and delivered to the mining authorities in the first half of 2018 and is expected to be the final permit required mine construction. An easement agreement has been granted for mine construction and road access to the site.

Qualified Person

Randy Pitts, Mining Engineer, Qualified Professional Member (QP) of Mining Metallurgical Society of America (MMSA) independent qualified person and has reviewed and approved the disclosure regarding the 3Q Project in this press rele

accordance with National Instrument 43-101, the Company intends to file the completed technical report on the PEA ur Company's profile on the SEDAR website (www.sedar.com) and on the Company's website (www.neolithium.ca) within from the date of this news release.

About Neo Lithium Corp.

<u>Neo Lithium Corp.</u> is an established lithium brine exploration company focused on its wholly-owned, high quality 3Q Prolocated in Latin America's Lithium Triangle in the Province of Catamarca, Argentina. The Company is quickly advancing Project given the rapidly growing lithium battery market that is driven largely by the growth of the electric vehicle market other consumer electronic products as the world moves towards cleaner and more efficient sources of energy.

Neo Lithium is well capitalized to continue the rapid development of its 3Q Project, a unique high-grade and low impurit brine lake and salar complex, which encompasses approximately 35,000 hectares.

The technical team that discovered this unique salar complex is one of the most experienced in the industry, having dis and led the technical work, including resource definition and full feasibility study that established the Cauchari lithium sa third largest lithium brine resource in the world.

Additional information regarding <u>Neo Lithium Corp.</u> is available on SEDAR at www.sedar.com under the Company's proits website at www.neolithium.ca, including various pictures of ongoing work at the 3Q Project.

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

Cautionary Note Regarding Forward Looking Statements -- This news release contains forward-looking information reg Neo Lithium, its business and the 3Q Project within the meaning of that term under Canadian securities laws. Such forward-looking information includes statements with respect to the economic results of the PEA and the Company's al achieve such results, the potential incremental value of by-products to the 3Q Project, the Company's continued advan the 3Q Project to a feasibility study, project finance and mine construction, the Company's ability to be a low-cost lithiu carbonate producer, the growth rate of the lithium and technology metals industries and the demand for the Company's the ability to finance the 3Q Project, future lithium prices, and the permitting status of the Company to construction. Ge forward-looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "schedule "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain action or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations to These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the con Company, which could cause the actual results, performance or achievements of the Company to be materially different future results, performance or achievements expressed or implied by such statements. These risks include, without lim risks related to failure to obtain adequate financing on a timely basis and on acceptable terms, political and regulatory i associated with mining and exploration activities, including environmental regulation, risks and uncertainties relating to interpretation of drill and sample results and relating to resource estimations, risks related to the uncertainty of cost and estimation and the potential for unexpected delays, costs and expenses, risks related to lithium and potash price fluctu market for lithium products, and other risks and uncertainties related to the Company's prospects, properties and busin detailed elsewhere in the Company's disclosure record. Although the Company believes its expectations are based up reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or resu materially from those described in forward-looking statements, there may be other factors that cause actions, events or to be as anticipated, estimated or intended and undue reliance should not be placed on forward-looking statements.

For further information, please contact:

<u>Neo Lithium Corp.</u> Carlos Vicens cvicens@neolithium.ca Dieser Artikel stammt von <u>Rohstoff-Welt.de</u> Die URL für diesen Artikel lautet: <u>https://www.rohstoff-welt.de/news/280678--Neo-Lithium-Corp.-Announces-Positive-Preliminary-Economic-Assessment-Results-on-its-3Q-Project.html</u>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere AGB/Disclaimer!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt! Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere AGB und Datenschutzrichtlinen.