Neo Lithium Corporation: Announces Completion of Qualifying Transaction and Concurrent Financing

19.07.2016 | Marketwired

TORONTO, July 18, 2016 - Neo Lithium Corp. ("Neo Lithium" or the "Company") is pleased to announce the completion of the previously announced qualifying transaction (the "Transaction") of POCML 3 Inc. ("POCML") (TSX VENTURE:PWR) pursuant to Policy 2.4 - Capital Pool Companies of the TSX Venture Exchange (the "Exchange"). Pursuant to the Transaction, POCML amalgamated with privately held Neo Lithium Corp. (a predecessor company) ("Old Neo Lithium") to form the Company. The common shares of Neo Lithium are expected to commence trading on the Exchange under the symbol "NLC" on or around July 20, 2016.

Prior to the completion of the Transaction, the common shares of POCML were consolidated on a 0.91:1 basis (the "Consolidation"). Pursuant to the Transaction, POCML and Old Neo Lithium then amalgamated and former shareholders of each company received one common share of the Company for each common share of Old Neo Lithium and POCML held (after giving effect to the Consolidation).

POCML Private Placement

In connection with the Transaction, on April 8, 2016, POCML completed a private placement (the "POCML Private Placement") of subscription receipts ("Subscription Receipts"). Pursuant to the POCML Private Placement, POCML issued 20,000,000 Subscription Receipts at a price of $0.35 each for total gross proceeds of $7,000,000. Each Subscription Receipt converted into one post-Consolidation common share of POCML for no additional consideration immediately prior to the Transaction, and the proceeds of the POCML Private Placement were released from escrow.

As agent to the POCML Private Placement and in connection with the Transaction, PowerOne Capital Markets Limited was issued broker warrants entitling it to acquire 1,341,990 common shares of the Company, at a price of $0.35 per share for a period of 12 months.

Neo Lithium Corp. Private Placement

Also in connection with the Transaction, Old Neo Lithium completed a brokered private placement on May 12, 2016, and a non-brokered private placement effective on May 27, 2016 (collectively, the "Neo Lithium Private Placement"), resulting in the issuance of an aggregate of 11,700,000 common shares of Old Neo Lithium at a price of $1.00 per share for total gross proceeds of $11,700,000.

Clarus Securities Inc., GMP Securities L.P. and PowerOne Capital Markets Limited acted as agents with respect to the brokered portion of the Neo Lithium Private Placement and in connection with the Neo Lithium Private Placement and Transaction, received broker warrants entitling them, collectively, to acquire 572,500 common shares of the Company, at a price of $1.00 per share for a period of 24 months.

Following the Transaction, the Company has a total of 65,070,000 common shares issued and outstanding (70,767,090 common shares on a fully diluted basis) as at the date of this news release, with management and the members of the Company's board of directors holding 12,763,000 common shares of the Company.

Tres Quebradas ("3Q") Project

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. The largest brine lithium mines and projects in the world are located in salars in the Lithium Triangle including Atacama Salar (SQM and Albermarle), Cauchari-Olaroz Salar (Orocobre and Lithium Americas Corp) and Hombre Muerto Salar (FMC and Galaxy). So far no company was able to put in production a whole salar on its own, the salar property ended up being shared with other companies. Neo Lithium owns 100% of the 3Q Salar and Brine Complex. The project is located at 4,090 metres above the sea level and encompasses

approximately 300 km2 with the lithium salar and brine lake complex encompassing approximately 160 km2.

There are no aboriginal communities or inhabitants in the area and the 3Q Project is only 25 km from the border with Chile, where the Maricunga Salar is located. The Maricunga Salar is another high grade lithium brine project that is located over a highway 210 km away from the Chilean port of Caldera (Copiapo). That means that with potentially minimal infrastructure improvement, 3Q could be the closest Argentinean project to a Chilean port.

A total of 255 samples were collected for the 3Q project. These samples were collected from lakes, salars, boundary areas, rivers, and geothermal springs throughout the property from December 2015 to April 2016. The whole area registers anomalous lithium and potassium, but the northern portion of the salar and brine reservoir complex encompasses a high grade target that extends for approximately 14 km in length and 2.8 km in width along the 3Q brine reservoir and salar. Samples in the brine reservoir (28 in total) contained an average Lithium concentration of 895 mg/l and Potassium of 7,694 mg/L and samples in the salar (32 in total) contained an average Lithium concentration of 784 mg/l and Potassium of 6,796 mg/L (lithium concentrations in both zones range between 400 to 4,000 mg/L and Potassium concentrations between 5,100 to 18,000 mg/L). Preliminary brine sampling results indicate these values are comparable and in most cases higher than current producing mines or projects in construction.

The preliminary brine sampling results also indicate that the northern target of the 3Q brine reservoir and salar contains remarkably low impurities, which when compared to lithium brine projects around the world they are considered to be one of the lowest known amount of combined impurities in the industry. The average Magnesium/Lithium ratio is between 1.58 Mg/Li in the brine reservoir to 1.87 Mg/Li in the salar and the average Sulphate/Lithium ratio is between 0.46 SO4/Li in the salar to 0.67 SO4/Li in the brine reservoir. Sulfate and Magnesium are critical impurities in Lithium brine projects because they could increase operational costs significantly and many projects become uneconomic at high impurity levels.

The northern target is surrounded by many geothermal springs. The Company has sampled at approximately 12 of the geothermal springs, some of which have returned exceptionally high values of lithium in the same (over 1000 mg/l Lithium). Further exploration work is required to understand the source of lithium (thermal springs typically contain less than 100 mg/L lithium, according to public data), the 3Q Project appears to be receiving a permanent input of metals from hot springs that are the largest input of water into the recharge system that is creating a very particular chemical footprint to the salar and creating exceptionally favourable conditions for lithium concentration in the natural lakes that are created.

Exploration Program

The Company will start an aggressive exploration program that will encompass upgrading the current road to an all-weather road, building a camp, a state of the art weather station, a pilot plant evaporation facility and an on-site laboratory. Geophysics will start in the third quarter and drilling will commence in the fourth quarter with the objective to generate a resource in the second quarter of 2017.

The Company has already initiated the processing studies out of a representative bulk brine sample at University of Antofagasta (Chile) and results are expected by the third quarter of 2016. These results are critical to demonstrate the ability of this low impurity brine to produce concentrated brine for export and for the design of evaporation ponds. These studies are the starting point for the design of a lithium carbonate facility.

Environmental approval has already been obtained for the initial prospecting program, the formal environmental report has already been submitted to authorities for pond construction and drilling and the company has already initiated the environmental base line that will be used for the formal mine construction approval.

Technical Information

The technical contents of this press release have been reviewed and approved by Dr. Waldo Perez, Ph.D., P. Geo., a qualified person pursuant to National Instrument 43-101 ("NI 43-101"). Mr. Perez is CEO and President of the Company, and is a geologist with a technical background in mineral exploration, including lithium brines.

The results for the 3Q Project stated herein are based on the analysis of surface brine samples. The brine samples collected in the field were delivered by Company personnel to Andesmar Transport Company ("Andesmar") in La Rioja, in the province of Rioja. Andesmar delivered the samples by truck to ASL, an ISO 9001-2008-certified laboratory in Mendoza, Argentina.

ASL used the following analytical methodologies: ICP-OES (inductively-coupled plasma-optical (atomic) emission spectrometry) to quantify boron, barium, calcium, lithium, magnesium, manganese, and potassium; an argentometric method to assay for chloride; a gravimetric method to analyze for sulfate; a volumetric analysis (acid/base titration) for the evaluation of alkalinity (as CaCO3); a gravimetric method to determine density and total dissolved solids; and, a laboratory pH meter to determine pH. All analytical work is subject to a systematic and rigorous Quality Assurance-Quality Control. A reference ("standard") sample was inserted into the sample stream at a frequency of approximately 1 in 15 samples; a field blank was inserted at a frequency of approximately 1 in 15 samples; and a field duplicate sample was inserted at a frequency of approximately 1 in 15 samples. The average lithium concentration in the standards was 847 mg/L with a standard deviation of 24.6 mg/L, while the average potassium concentration was 8,010 mg/L with a standard deviation of 346.7 mg/L.

Additional information on sample results and estimates at 3Q are available in the Company's technical report titled "Technical Report on the Tres Quebradas Lithium Project Catamarca Province, Argentina" with an effective date of June 6, 2016.

Information about the Company

Neo Lithium is a company governed by the laws of the Province of Ontario, which holds mineral and surface rights over a newly discovered and unique lithium salar and brine reservoir complex in Catamarca Province, Argentina. The technical team that discovered this unique complex is one of the most experienced in the modern era in lithium salars, having discovered and lead the technical work, including resource definition and full feasibility study, that established the Cauchari lithium salar as one of the largest and highest quality lithium salars in the world.

The Company is very well capitalized with approximately $17.5 million cash position to see operations through to the Lithium Carbonate PEA report which is expected to be available in the first quarter of 2018.

Additional information regarding Neo Lithium Corp., its business activities and the Transaction are available on SEDAR at www.sedar.com under the Company's profile.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. The TSX Venture Exchange Inc. has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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