Neo Lithium Discovers High Grade and Low Impurity Salar and Brine Reservoir Complex in Argentina

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Commences Trading on the TSX Venture Exchange With Ticker NLC

Summary Highlights:

- A new high grade and low impurities lithium discovery in the Lithium Triangle
- Located in the largest lithium producing Province of Catamarca in Argentina
- Lithium Rich brines hosted in salars and reservoirs covering 160Km2, one of the largest of the Puna Plateau
- 100% ownership of entire salar complex
- Fully funded to Lithium Carbonate PEA Report

TORONTO, July 20, 2016 - Neo Lithium Corp. ("Neo Lithium" or the "Company"), a company with 100% ownership of the Tres Quebradas Lithium Project (the "3Q Project"), a newly discovered and unique lithium salar and brine reservoir complex in Catamarca Province, Argentina, is pleased to announce that effective July 20, 2016, the Company's common shares will commence trading under the ticker symbol NLC on the TSX Venture Exchange.

"I am extremely pleased with the strong support and confidence of our investors as they clearly see, and believe in the strength and quality of the 3Q Project," said Dr. Waldo Perez, President and CEO of Neo Lithium Corp. "Our team is confident that this new discovery has the potential to be a large high grade discovery - The brine found in an open reservoir has the right chemistry for a low cost evaporation process, contains potash as a valuable by-product, and lithium grades are equal or superior to most other known undeveloped projects and many producing mines."

A High Grade, Low Impurity Discovery

The 3Q Project consists of a salar and brine reservoir complex. Brine reservoirs are open lakes filled with hyper saline high density brine (instead of water). Brine sampling results at surface in the salar and at surface and depth in the reservoir show values comparable to and in most cases higher than current producing mines or projects in construction. The reservoirs are contiguous to larger salars that also host high grade lithium brine at surface.

The whole area registers anomalous lithium and potassium, but the northern portion of the 3Q salar and brine reservoir complex encompasses a high grade target that extends for approximately 14 km in length and 2.8 km in width. The preliminary brine sampling results in the northern brine reservoir (28 in total) contained an average Lithium concentration of 895 mg/l and Potassium of 7,694 mg/L. Surface samples in the northern 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).

The preliminary brine sampling results also indicate that the northern target contains remarkably low levels of critical impurities, which when compared to lithium brine projects around the world are among the lowest 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 the Lithium industry because they could increase operational costs significantly and many projects become uneconomic at high impurity levels. As a reference no producing project in the world today has a Magnesium/Lithium ratio higher than 7 and a Sulphate/Lithium ratio higher than 55.

The Right Location

The 3Q Project is located in Catamarca, the largest lithium producing province in Argentina, in the southern

end of the "Lithium Triangle" of the Puna Plateau. The area is characterized by high altitude salt flats, some of which contain elevated lithium concentrations. The largest brine lithium mines and projects in the world are located in salars in the Lithium Triangle.

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 250 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.

Large Footprint

The 3Q Project extends for over 160Km2 of salars and lithium reservoirs. The Northern Target alone extends for over 14x2.8 km of high grade low impurities brine. Only drilling will be able to determine the size of the 3Q Project, but the footprint is comparable to other large lithium deposits. About 1/3 of the 3Q footprint is formed by a brine reservoir (i.e. lake) and 2/3 by the salar.

100% Ownership of Property, Salar and Brine Complex

Neo Lithium is in a very enviable position and benefits from a 100% ownership of the entire salar complex. The ownership structure allows the Company to have no boundaries and limitations concerning the timely execution of its 3Q Project development strategy. The three largest producing salars in the world are all shared by two or more companies. Atacama Salar (Chile) is a shared resource between SQM and Albermarle, Hombre Muerto salar (Argentina) is shared between FMC and Galaxy and Cauchari-Olaroz salar (Argentina) is shared between Orocobre and Lithium Americas. Other minor projects also have shared salars, the 3Q Project would be one of the few cases where one company controls the whole salar.

Strong Balance Sheet

Neo Lithium is well funded with approximately $17.5 million in net cash to see the Company through its exploration and development activities leading to a Lithium Carbonate PEA Report, which is expected to be ready during the first half of 2018. Clarus Securities Inc., GMP Securities L.P. and PowerOne Capital Markets Limited acted as agents in completing the Company's recent private placement resulting in the issuance of an aggregate of 11,700,000 common shares at a price of $1.00 per share for total gross proceeds of $11,700,000.

"The enviable qualities of the 3Q Project provide us with an outstanding opportunity to become a leader in the lithium market," noted Constantine Karayannopoulos, Chairman of Neo Lithium Corp. "We are remarkably well positioned with a strong balance sheet, an exceptional property and a precise business plan. Our board and management team bring extensive Lithium industry know-how to our Company, with a proven track record in global exploration, project execution, market development and capital markets."

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"). Dr. 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 in the salar and surface and deep samples in the lake (reservoir). The reservoir was sampled using an inflatable boat with a 2 L vertical-type Alpha water sampler with a 2.2 L capacity. Vertical samples down the lake were collected every one meter depth. Surface samples in the lake were collected in a 1x1Km regular grid. Surface samples in the salar were collected in a 1x2Km regular grid digging a 1 m depth hole in the salt crust.

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.

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.

About Neo Lithium Corp.

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.

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.

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Contact

Neo Lithium Corp.
Carlos Vicens
cvicens@neoltihium.ca