Neo Lithium Expands Pilot Evaporation Ponds; Drills Deep Aquifer Along Entire 3Q Project; Provides Significant Project Updates

10.05.2018 | GlobeNewswire

- *The Company expanded the pond string from 3 to 9 ponds, now covering 1.4 ha in total*
- *Engineering firm Hatch hired to complete the engineering of calcium removal*
- *Deep aquifer now intercepted in 5 holes along the entire 3Q Project - potential to positively impact already large resource at the 3Q Project*

TORONTO, May 10, 2018 (GLOBE NEWSWIRE) -- Neo Lithium Corp. (“Neo Lithium” or the “Company”) (TSXV:NLC) (OTCQX:NTTHF) is pleased to provide an update on pilot pond construction and brine processing achievements at its Tres Quebradas lithium brine project (“3Q Project”) in Catamarca Province, Argentina. This work continues to demonstrate the Company’s single-minded commitment to project-level advancements towards feasibility in the fastest period possible.

Pond Construction

The Company completed and filled with brine two ponds, 170x60x3 meters each, similar in design and size to production pre-concentration ponds (please see pictures in http://www.neolithium.ca/project/default.aspx#section=pictures).

Both ponds are of the same size but are constructed differently. The foundation and walls of one pond is made of salt (sodium chloride) and the other is made of gravel and sand. They are also positioned differently - one is facing towards the prevailing wind and the other is perpendicular to the other pond.

The purpose of the ponds is to obtain vital information on evaporation, wave formation in the ponds, geo-mechanical conditions of the ground, construction materials, impact of wind over evaporation in large ponds and liner resistance. All this information is directly applicable to the feasibility study work that is in progress.

The Company also completed four smaller evaporation ponds, 22x17x2 meters each, to complete brine concentration to approximately 3 – 4 % lithium concentration at pond scale. With further evaporation the brine can reach approximately 6% concentration without any issues, however reagents are required to remove the remaining calcium from the brine. The Company is evaluating the benefits of further concentration - cost benefit analysis between saving transport costs and reagent costs.

Prior to the construction of these pilot ponds, the Company had three pilot ponds, 60x17x2 meters each, that had been operating for a year and a half. With the current expansion the Company now has nine ponds, representing all the ponds required to complete all information for the feasibility study. See the outline of the pond string at http://www.neolithium.ca/project/default.aspx#section=maps.

The string of ponds built so far is equivalent to 1:600 scale piloting of the final evaporation ponds estimated in the Company’s previously published preliminary economic assessment (‘PEA”) at 35,000 tonnes lithium carbonate. Pond construction is directly related to the lithium carbonate pilot plant that is currently in construction and is expected to be completed during the third quarter of 2018 and installed in the nearby town of Fiambalá, before the end of the year. The plant is designed to 1:800 scale of the final production plant as defined in the PEA.

Brine Processing Progress

The Company also continues to quickly progress in its understanding of brine processing. As described in the press release dated March 2, 2018, the Company’s engineers determined that the consumption of sodium sulfate contemplated in the PEA could be significantly reduced. A final high-grade brine with approximately 3-4% lithium concentration is achievable without the need of costly additives and reagents through natural calcium precipitation as the calcium chloride forms crystals and each crystal captures six molecules of water (producing a mineral named Antarcticite). Antarcticite precipitation has two benefits, being it removes a substantial amount of calcium from the brine and removes water. Removing water by crystallization of Antarcticite is also expected to shorten the evaporation time and decrease the number of ponds required. The Company has hired Hatch Canada to provide an integral plan for managing this crystallization process that will be applied in the feasibility study.

“We are pleased to have just completed on time and on budget all the pond string required to complete the feasibility study” stated Gabriel Pindar, COO of Neo Lithium. “The special nature of the 3Q brine, with low impurities, allows us to get creative and find ways to improve the process in comparison to other brine projects. We very much look forward to putting all of these important findings in a feasibility study as the PEA already demonstrates a potentially viable project.”

Deep Aquifer and New Resource Estimation

The Company is still carrying on its drilling campaign and anticipates finishing the program by the end of May. The deep aquifer has now been intercepted in five drill holes along the entire salar, proving that the deep aquifer extends along the entire 3Q basin, and potentially changing the entire resource picture at the 3Q Project. For reference, the published resource calculation upon which the PEA was based, did not include this newly discovered extensive deep aquifer. Geochemical results are pending. The Company will provide an update when the drilling campaign is finished and expects to issue a new resource estimation for the 3Q Project in the third quarter that will include the deep aquifer.

Environmental Base Line Study

The environmental base line study is complete in most areas including flora, fauna, landscape, soils, archeology, paleontology, geology and air quality. The discovery of the deep aquifer delayed the hydrogeology work (the only topic missing in the environmental baseline study). Since the Company is still drilling and doing pump tests, the hydrogeological modelling is not finished yet. The Company estimates that the testing and hydrological model will be completed this quarter and that in the third quarter the Company will be presenting the complete environmental base line study to the applicable government authorities. Once this study is accepted by the government authorities a final environmental permit will be issued for mining at the 3Q Project.

About Neo Lithium Corp.

Neo Lithium Corp. is an established lithium brine exploration company focused on its wholly-owned, high quality 3Q Project located in Latin America's Lithium Triangle in the Province of Catamarca, Argentina. The Company is quickly advancing the 3Q Project given the rapidly growing lithium battery market that is driven largely by the growth of the electric vehicle market, and 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 impurity lithium brine lake and salar complex, which encompasses approximately 35,000 hectares.

Neo Lithium recently completed a preliminary economic assessment of the 3Q Project that indicates economics for a 35,000 tonne per year lithium carbonate mine. The Company notes that the preliminary economic assessment is preliminary in nature, and it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The technical team that discovered this unique salar complex is one of the most experienced in the industry,

having discovered and led the technical work, including resource definition and full feasibility study that established the Cauchari lithium salar as the third largest lithium brine resource in the world.

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

Waldo Perez, Ph.D, P.Geo., the CEO and President of Neo Lithium Corp. is the Qualified Person who approved the scientific and technical disclosure in the news release.

For further information, please contact:

Neo Lithium Corp.
Carlos Vicens
cvicens@neolithium.ca

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. The TSX Venture Exchange Inc. has in no way approved nor disapproved the contents of this press release.

Cautionary Note Regarding Forward Looking Statements -- Certain information set forth in this news release may contain forward-looking statements. Generally, forward-looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "scheduled", "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, which could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such statements. These risks include, without limitation, risks related to failure to obtain adequate financing on a timely basis and on acceptable terms, political and regulatory risks associated with mining and exploration activities, including environmental regulation, risks and uncertainties relating to the interpretation of drill, pump and sample results and relating to resource estimations, risks related to interpretation and application of chemical processing studies, risks related to pond construction and maintenance, risks related to the uncertainty of cost and time estimation and the potential for unexpected delays, costs and expenses, risks related to lithium and potash price fluctuations, the market for lithium products, and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and undue reliance should not be placed on forward-looking statements.