

Neo Lithium Corp. Announces Strategic Investment by CATL

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- **CATL to invest C\$8.5 million, representing an 8% equity stake in Neo Lithium**
- **Investment will be by way of a Private Placement at \$0.84 per common share**
- **The investment results in further strengthening of the Company's balance sheet with more than C\$37M of cash post private placement**
- **A Technical Committee will be formed to oversee the DFS and collaboratively determine the complete financing requirements for the 3Q Project**
- **Investment will provide CATL with board representation and pre-emptive rights**

TORONTO, Sept. 14, 2020 - [Neo Lithium Corp.](#) ("Neo Lithium" or the "Company") (TSXV: NLC) (OTCQX: NTTHF) (FSE: NE2) is pleased to announce that it has entered into an equity subscription agreement (the "Agreement") with a subsidiary of Contemporary Amperex Technology (SZSE: 300750) ("CATL"), a leading Chinese battery manufacturer and technology company that specializes in the manufacturing of lithium-ion batteries for electric vehicles and energy storage systems, and battery management systems.

Under the terms of the Agreement, CATL will subscribe for 10,217,502 common shares (the "Common Shares") of Neo Lithium at a price of C\$0.84 per Common Share (the "Issue Price") for gross proceeds to Neo Lithium of C\$8,582,702. The completion of the transaction is subject to the approval of TSX Venture Exchange (the "Exchange") and customary approval from the government of the People's Republic of China. In addition, in order to demonstrate their on-going commitment to and belief in the Company and the 3Q Project, certain members of management and the board have committed to subscribe for up to 483,334 common shares of Neo Lithium for gross proceeds of C\$406,000, at the same Issue Price (collectively with CATL's subscription, the "Private Placement").

This investment will strengthen Neo Lithium's financial position and financing strategy and get us one step closer to the development and construction of the Company's wholly owned Tres Quebradas Lithium Project ("3Q Project") in Catamarca Province, Argentina. The Company completed a positive Pre-Feasibility Study in May 2019 and going forward, the Company together with the technical assistance of CATL, will finish the Definitive Feasibility Study ("DFS") in order to define the precise financing requirements for the 3Q Project. The DFS will evaluate the economic feasibility for a project with a nameplate production capacity of approximately 20,000 metric tons of battery quality lithium carbonate, with expansion capacity up to 40,000 metric tons per year of battery quality lithium carbonate.

Waldo Perez, Chief Executive Officer and Director, commented, "We are delighted to receive an endorsement from a globally recognized, leading industry player such as CATL as we continue to further advance our strategic objectives at the 3Q Project. As we have said many times, we believe it's extremely important to have a strategic partner with unique knowledge of the expected end market demand, before concluding the DFS. We are confident that CATL will help us define the battery grade quality and certification of the final product to highest levels."

Changdong Li (???), Representative of the Chairman Li (???) of resource procurement of CATL, commented, "CATL is very pleased to complete this strategic investment in Neo Lithium. We believe that the 3Q Project is an attractive development project that may benefit from our expertise and know-how in the battery manufacturing and technology space."

Over the past few months, the Company has provided several corporate updates regarding the process to select a strategic and financing partner. Since then and recognizing that over the past months the pandemic has affected Project Financing activities globally in the lithium industry and others, the Company has decided to move forward with the DFS with the assistance of a global industry leader, which will help us minimize the

technical risks and adapt the project to meet the best industry standards in terms of quality and specifications.

Constantine Karayannopoulos, Vice Chairman of Neo Lithium commented, "We are thrilled to welcome CATL as a strategic investor in Neo Lithium and to have them join our share register alongside many of our other long-term supportive shareholders. The investment by CATL, which comes at a premium to market price, is a positive sign of support for the 3Q Project and our management team. CATL is a large and well respected leader in the battery space with extensive experience, which bodes extremely well as our team continues to forge ahead."

Use of Proceeds & Further Information

Following this Private Placement, Neo Lithium will continue to fully control 100% of its offtake and the 3Q Project.

Neo Lithium intends to use the proceeds from the Private Placement for the following purposes:

- General working capital; strengthen the Company's balance sheet and enhance its financial flexibility to provide support for the Company's 3Q Project
- DFS; finance the remaining costs to finalize the DFS. Once the Technical Committee has been formed, the Company may incur in additional costs and expand the scope of the DFS

As part of the Private Placement, CATL has indicated its willingness to provide technical support in the certification of the final product and strategic expertise and financial support. In recognition of the strategic relationship, at the completion of the Private Placement the Company and CATL will enter into an Investor Rights Agreement pursuant to which CATL will be granted certain rights including:

- Board of Directors representation: CATL is entitled to nominate one non-executive director to Neo Lithium's Board of Directors for so long as CATL continues to hold an interest in the Company of at least 8.0%, subject to certain dilution protections;
- Pre-emptive rights: CATL will have the right to participate in future equity offerings in order to maintain an 8% ownership (subject to certain dilution protections); and
- Technical Committee: CATL will have the right to nominate one person to the Technical Committee, to help oversee preparation of the final DFS that will be submitted to the Company's Board of Directors

BofA Securities acted as financial advisor to Neo Lithium in connection with the Agreement and will continue working with the Company to complete the Company's full funding requirements for the 3Q Project.

About CATL

CATL is a global leader in the development and manufacturing of lithium-ion batteries, with businesses covering R&D, manufacturing and sales in battery systems for new energy vehicles and energy storage systems. In 2019, the company's EV battery sales volume reached 40.25 GWh worldwide, and making it the world leader in annual EV battery consumption volume (source SNE Research).

Headquartered in Ningde, China, CATL has more than 26,000 employees around the world as of 2019 and subsidiaries in Beijing, Liyang (Jiangsu Province), Xining (Qinghai Province) and Yibin (Sichuan Province), as well as in Munich (Germany), Paris (France), Yokohama (Japan), Detroit (USA) and Vancouver (Canada). In addition, the company owns and operates battery manufacturing facilities in Fujian, Jiangsu, Qinghai and Sichuan provinces, and in its European plant located in Erfurt, Germany, its first overseas plant that is currently under construction. In June 2018, the company went public on the Shenzhen Stock Exchange with stock code 300750.

For more information, please visit <http://www.catlbattery.com>.

About Neo [Lithium Corp.](#)

[Neo Lithium Corp.](#) has quickly become a prominent new name in lithium brine exploration by virtue of its high quality 3Q Project and experienced team. Neo Lithium is rapidly advancing its recently discovered 3Q Project - a unique high-grade lithium brine lake and salar complex in Latin America's "Lithium Triangle".

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

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 project.

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Cautionary Note Regarding Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements. Such statements include but are not limited to, statements as to lithium brine grades at depth being consistent with surface results, the potential for resource expansion at depth, the potential of the northern salar sediments, and deeper sediments, for hosting brine, the ability to proceed to scoping studies quickly, proceeding with continued work for additional economic studies the potential for production expansion in the Company's assessment of the economic potential of the 3Q Project, that test results are indicative of future results, and the additional of additional independent directors. 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 and sample results, risks related to the uncertainty of cost and time estimation and the potential for unexpected delays, costs and expenses, risks related to metal price fluctuations, the market for lithium products, competition for experienced directors in the junior mineral exploration and development sector, 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.

SOURCE [Neo Lithium Corp.](#)

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