TORONTO, ON--(Marketwired - May 23, 2017) - Neo Lithium Corp. (TSX VENTURE: NLC) (OTCQX: NTTHF)

- *Significant high grade Measured and Indicated and Inferred resource estimate*
  - *Measured and Indicated Resource of 714,242 tonnes of lithium carbonate equivalent at an average grade of 716 mg/L Lithium*
  - *Inferred Resource of 1,339,546 tonnes of lithium carbonate equivalent at an average grade of 713 mg/L Lithium*
  - *Conservative cut-off grade of 520 mg/L Lithium one of the highest levels in the industry*
- *Average combined impurities for Magnesium/Lithium and Sulphate/Lithium continue to be the among the lowest in the industry*
  - *Measured and Indicated Magnesium/Lithium and Sulfate/Lithium of 1.99 and 0.52, respectively*
  - *Inferred Magnesium/Lithium and Sulfate/Lithium of 2.07 and 0.54, respectively*
- *Significant potential for resource expansion at depth*

Neo Lithium Corp. ("Neo Lithium" or the "Company") (TSX VENTURE: NLC) (OTCQX: NTTHF) is pleased to announce a maiden resource estimate for the Tres Quebradas lithium brine project ("3Q Project") in Catamarca Province, Argentina. An independent measured, indicated and inferred resource estimate has been completed under the supervision of Canadian-based Groundwater Insight, Inc., which will be included in a technical report to be released within 45 days in accordance with the requirements of National Instrument 43-101 ("NI 43-101").

The resource estimate was conducted along the entire salar and brine lakes of the 3Q Project covering an area of 8,183 ha covering the Northern Target, as defined in the Company's current technical report entitled "Technical Report on the Tres Quebradas Lithium Project, Catamarca Province, Argentina", dated June 6, 2016 (the "2016 3Q Report"), and the Southern Target, described in Neo Lithium's press release dated February 28, 2017 and March 20, 2017. Lithium and potassium resource estimates are summarized in Table 1.

Table 1. 3Q Project Lithium and Potassium Resource Statement at 520 mg/L Lithium Cut-off

	Brine Volume (millions m^3)	Avg. Lithium (mg/L)	Lithium (tonnes)	*Li_2CO_3 Equivalent (tonnes)*	Avg. Potassium (mg/L)	Potassium (tonnes)	KCl *Equivalent (tonnes)*
Measured	12.47	792	9,876	52,569	7,434	92,702	176,764
Indicated	175.1	710	124,309	661,673	6,439	1,127,273	2,149,485
Total M & I	187.5	716	134,185	714,242	6,506	1,219,975	2,326,249
Inferred	353.2	713	251,662	1,339,546	6,554	2,314,756	4,413,778

The low magnesium and sulfate content of the resource are consistent with prior samplings and drilling results and could make the brine very favourable for potential future processing. Table 2 summarizes the main impurities ratios for magnesium and sulfate.

Table 2. 3Q Project Impurity Ratios at 520 mg/L Lithium Cut-off

	Magnesium/Lithium	Sulfate/Lithium
Measured	1.60	0.76
Indicated	2.02	0.50
Total M & I	1.99	0.52
Inferred	2.07	0.54

"This maiden resource estimate highlights the significant potential of the 3Q Project," said Dr. Waldo Perez, President and CEO of Neo Lithium. "The size, grade and low impurities of the resource along with our preliminary process studies provide us with all of the building blocks as we quickly move to the Preliminary Economic Assessment phase."

All the resource included in the 520 mg/L cut-off is in the area known as the Northern Target, which was originally identified by surface sampling that extends over the northern half of the salar (see the 2016 3Q Report). In the context of a sensitivity analysis, which does not constitute a mineral resource estimate, a lower cut-off of 400 mg/L would increase the Measured and Indicated resource to 1,224,305 tonnes of lithium carbonate with an average grade of 567 mg/L Lithium and the Inferred resource increases to 2,237,803 tonnes of lithium carbonate with an average grade of 567 mg/L Lithium. The Magnesium/Lithium ratio increases to 3.41 for Measured and Indicated resource and is also 3.41 for Inferred resources. The Sulfate/Lithium ratio is 0.64 for Measured and Indicated resource and 0.63 for Inferred resources.

Resource Estimation Methodology

The resource estimate was prepared in accordance with best practice estimation methods specific to brine resources, including a

reliance on drilling and sampling methods that yield depth-specific chemistry and drainable porosity measurements of the brine host rock.

The resource calculation is based on 10 diamond drill holes (total of 1,960 metres) and 13 rotary wells (total of 1,177 metres) on 11 platforms. The diamond drill holes had core recovered in HQ triple tube. Of the 10 holes used for the resource analysis, only three reached the basement; all others were terminated after reaching target depth or due to drill limitations. The total thickness of the basin, and the total thickness of saturated sediments, is unknown for most of the basin.

A total of 152 brine samples and 23 QA/QC samples were collected in drill holes. Brine samples were collected in diamond drill holes using standard packer technique (both single and double packer) to obtain samples from discrete levels of the formation. Fluorescein dye was used to ensure that the samples were representative of the collection interval. Intervals range from 2 to 50 metres, depending on the hole.

A simplified geology model was assembled from surface mapping and diamond drilling core. The deepest hole goes down 330 metres and does not intercept the basement. Six main geological units were identified:

- 3Q Project lake (standing body of surface brine at the north end of the salar);
- High Porosity Halite (extends from surface of the salar, down to 30 to 50 metres in depth);
- Upper Sediments (present under the High Porosity Halite, mostly in the boundary areas of the salar, down to 75 metres in depth);
- Porous Halite (present below the Upper Sediments or High Porosity Halite),
- Massive Halite (under the Porous Halite);
- Lower Sediments (present under the Massive Halite, although not all the drill holes extended to this unit).

Core samples were shipped to Daniel B. Stephens & Associates Inc. ("DBS"), Inc. laboratory in the U.S., to measure relative brine release capacity ("RBRC"). This method of porosity determination is designed to estimate Specific Yield, which is the portion of the total porosity that can reasonably be expected to drain through pumping. General porosity trends were consistent with geology, with considerable variability also noted within geological units.

RBRC was measured in 58 core samples, to estimate the Specific Yield of each geological unit. Pumps test were also completed in the high porosity halite and the upper sediments.

A summary of the RBRC measurements and the percentage of the resource in each unit are provided in Table 3.

Table 3. RBRC Results and the Distribution of the Resource Between the Primary Geological Units.

	Category	Number of RBRC Samples	RBRC (%)	% of the Resource
3Q Lake	Measured		Not applicable	2.57
High Porosity Halite	Indicated*	4	18.16	16.25
Upper Sediments		8	7.80	16.13
Porous Halite	Inferred	31	9.77	53.90
Massive Halite		10	2.24	8.84
Deeper Sediments		5	6.34	2.32

**Units with Pump Test*

The High Porosity Halite hosts 16.25% of the resource. Pump tests were completed in this unit using fluorescein dye, which enable estimation of Effective Porosity, a parameter that is closely related to Specific Yield. These tests provided Effective Porosity values above 30%, indicating the average RBRC value used for this unit (18.16%, in Table 3) tends to be conservative. More pump tests will be carried out in this unit in the next season to confirm porosity characteristics.

The deeper sediments host only 2.32% of the total resource. However, few boreholes penetrated this unit, indicating potential to host more resources. Further exploration is required at depth along the entire salar to identify the full extent of this aquifer, and to evaluate for the presence of lithium brine.

Measured, Indicated and Inferred resources classified by lithology are listed in Table 3. The Measured resources correspond to the 3Q Project lake, where detailed bathymetry, sampling, and relatively homogeneous composition allowed for a high degree of confidence in the estimation. The Indicated resources correspond to the upper units (High Porosity Halite and Upper Sediments) where all holes intercepted the units and there are pump tests that show that the units produce brine in short and long term tests. The combined thickness of these units ranges from a few meters to approximately 70 metres. The Inferred resource corresponds to lower units, which were intercepted by fewer holes and where no pump tests have been completed.

Resources were estimated using a block model and ordinary kriging technique with 180x180x10 metre (x,y,z) blocks.

Maps, sections, and additional information about this resource estimate will be available on the Company's website in the following days.

Qualified Person

Neo Lithium requested Groundwater Insight, Inc. based in Nova Scotia, Canada to prepare an independent lithium brine resource estimate for the Company's 3Q Project brine deposit in Argentina and to compile a Technical Report (including a resource estimate), in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects - and consistent with the standards and guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum.

In preparing the Report, Groundwater Insight, Inc. took into account and applied processes which Groundwater Insight, Inc. determined to be appropriate for brine style deposits. The NI 43-101 Technical Report will be available on SEDAR within 45 days of this news release.

The mineral resource estimation was prepared by Geo. Marisa Franciosi using Geosoft Target 9.1 for Arc GIS under the supervision of Dr. Mark King, Ph.D, P.Geo. of Groundwater Insight. Inc, a Qualified Person as defined in NI 43-101. Dr. King has read and approved the contents of this release. Waldo Perez, Ph.D., P.Geo, is the internal Qualified Person for the 3Q Project and has also read and approved the contents of this release.

Sample Collection (QA/QC)

The brine samples collected in the field were delivered by the Company to Andesmar Transport Company ("Andesmar") in Catamarca city, in the Province of Catamarca. Andesmar delivered the samples by truck to Alex Stewart Laboratories ("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 systematic and rigorous Quality Assurance-Quality Control procedures. 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 porosity samples were collected from undisturbed core in Lexan tubing and delivered by company truck to Mendoza, and then by courier to the U.S. to DBS laboratory in Albuquerque, New Mexico. The RBRC tests were done using brine from the 3Q project.

About Neo Lithium

Neo Lithium is quickly becoming a prominent new name in lithium brine exploration by virtue of its quality 3Q Project and experienced team. Already well capitalized, Neo Lithium is rapidly advancing its newly discovered 3Q Project - a unique high-grade lithium brine lake and salar complex in the Latin America's Lithium Triangle.

The 3Q Project is located in the Province of Catamarca, the largest lithium producing area in Argentina. The project covers approximately 35,000 ha and the salar complex within this area is approximately 160 km^2. The maiden resource estimate identifies a large, high-grade lithium deposit in the northern portion of the salar complex extending for approximately 20 km by 5 km with low magnesium and sulphate impurities. Low impurities are a key factor in traditional low cost evaporation techniques for final lithium carbonate production. Hot springs on the property with elevated lithium content are part of the recharge system of the salar complex.

The technical team that discovered this unique salar complex is one of the most experienced in lithium salars, 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 is available on SEDAR at www.sedar.com under the Company's profile and at its website at www.neolitium.ca, including various pictures of ongoing work at the project.

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