Neo Lithium Achieves Major Milestones in Brine Processing, Plant Location and Fiscal Stability

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- *Processing studies at the project have achieved concentration levels of 3.8% lithium brine solely through solar evaporation - no costly additives were required, plus calcium chloride precipitates through crystallization and in the process captures water molecules within the crystals - both of these represent important developments for the project*
- *MOU was signed with the government of the town of Fiambalá with respect to the location and building of a lithium carbonate plant*
- *Federal Government has granted 30 years of fiscal stability for the project, including preserving various taxes at current rates as well as other incentives and benefits*
- *Pilot scale pond construction has commenced in order to feed the pilot plant that is to be delivered to the project in Q3, 2018*
- *New drill results will be available imminently*

TORONTO, March 02, 2018 (GLOBE NEWSWIRE) -- Neo Lithium Corp. (“Neo Lithium” or the “Company”) (TSX-V:NLC) (OTCQX:NTTHF) is pleased to provide an update for its 2017-2018 3Q Project development campaign.

“We spent the Argentinean summer driving hard to advance the project and we are very excited to show significant results in various fronts,” stated Waldo Perez, President and CEO of Neo Lithium. “In addition to important results from the ongoing drilling campaign which are redefining the scope of this already large project, we made considerable progress in the process studies by concentrating lithium brine to 3.8% without any costly reagents, construction is underway on larger pilot scale ponds and processing plant, we decreased the risk profile of the project by signing an MOU with the local town for the building of a processing plant there, and obtained fiscal stability for 30 years from the Federal Government of Argentina. We are confident that no other lithium brine project has seen the sheer volume and speed of advancement as the 3Q Project.”

Significant Progress in Process Studies

The Company has now completed the bench scale evaporation cycle at the project site, based on local weather conditions, concentrating lithium brine by solar evaporation all the way up to 3.8% lithium.

This achievement used no reagents except for minor amounts of hydrochloric acid. Sodium sulfate was not added to the brine, demonstrating that calcium chloride, sodium chloride, potassium chloride and borates precipitate naturally and without the need of additives.

Of perhaps equal or more importance, calcium chloride precipitated in big crystals (scroll through the photos at the Company’s website for a sample picture of the crystals http://neolithium.ca/project/default.aspx#section=pictures) with each molecule of calcium chloride capturing six molecules of water, resulting in significant water extraction from the brine by crystallization rather than evaporation. While still early and with further studies required, this finding is expected to have a positive impact on the capital costs of the project by virtue of potentially significantly reducing the size of the ponds required to evaporate the brine.

These tests also indicate that the amount of costly reagents could be significantly less than previously scoped, suggesting a meaningful reduction to the operating costs, which are already at the low end of the industry.

For information concerning the preliminary economic assessment of the 3Q project, including details

concerning the estimated capex and opex of the project, see the Company’s technical report entitled “Preliminary Economic Assessment (PEA) 3Q Project, NI 43-101 Technical Report, Catamarca, Argentina” dated December 13, 2017, filed on SEDAR and available on the Company’s website.

These bench scale findings are critical, and the Company is now working on scaling up the process studies in an effort to replicate the results at pilot scale.

The Company has already started to build two ponds, each one-half hectare in size, on the salar itself to increase brine production in order to feed the pilot plant that is expected to be delivered by the third quarter of 2018 and produce lithium carbonate before the end of the year.

Also, offices and a warehouse at Fiambalá have been built (see pictures at the Company’s website http://neolithium.ca/project/default.aspx#section=pictures).

"Calcium chloride, originally considered an impurity, has become a reagent to extract water without the need of evaporation,” stated Claudio Suarez, Head of Process Engineer at Neo Lithium. “We converted a potential disadvantage into what appears to a major key for processing the 3Q brine.”

Memorandum of Understanding with Fiambalá

The Company has signed a memorandum of understanding with the town of Fiambalá, which is located approximately 160 km away from the project, to identify the most appropriate place to install a lithium carbonate plant, with full support from local authorities. The Company has committed to finance environmental and topographic studies, along with infrastructure, energy, water and industrial waste studies necessary to carry out an evaluation which will enable the authorities of the province of Catamarca and the town of Fiambalá to decide on the most suitable location for the installation of the plant. While a municipal site has already been identified, these studies are required to understand if the site is suitable from the perspective of the town and the Company.

"This MOU not only provides a secure and ideal location for potential construction of our processing plant, it also shows the relationship and continued local support from the town of Fiambalá and the Province of Catamarca,” noted Gabriel Pindar, COO of Neo Lithium. “With the rapid progress at the project, we are very excited to work hand in hand with the local authorities as we continue to make further progress on our strategic plan.”

Fiscal Stability

The Company filed the necessary documentation with the Federal Government that triggers the granting, effective February 26, 2018, of all the benefits to the Company’s local wholly owned subsidiary of the Mining Law 24196. Under that law the Company obtained:

- fiscal stability for 30 years from the date of filing (February 26, 2018), and covers every federal, provincial and municipal tax, except VAT – any increase in the tax rates or new taxes will not apply, and the stability applies to foreign exchange controls and custom duties
- 100% income tax double deduction on investments in exploration and feasibility studies’ expenses - to calculate its income tax all investments in prospecting, exploration and any other expenses to determine a feasibility of the project will get the benefit of double deduction
- no revenue tax from mining rights contributed in kind as corporate capital
- no import duties – capital goods, equipment and spare parts to be used in mining activities can be imported into Argentina without having to pay any import tax (0-35%) statistics duty (0,5%) or any other import tax
- VAT may be recovered – it is applicable for purchase and import of capital goods related to mining projects and capital investments in mining infrastructure
- appraisal of exploitable mineral reserves may be capitalized up to 50% and the rest may be registered as a reserve, both free of income tax, and the shares issued by this capitalization are free of any national taxes
- maximum 3% of provincial royalties over “mine value”, which means the net value received by the miners with deduction of the production cost

- accelerated regime of depreciation for capital investments in mining projects.

“We believe this is a major financial de-risking event as we work on several other technical fronts. The team at Neo Lithium continues to prove the strong local know-how and capabilities that will enable the Company to fully develop the 3Q Project,” stated Carlos Vicens, CFO of Neo Lithium.

Neo Lithium at the 2018 PDAC and Presentation by Dr. Waldo Perez Ph.D.

The Company will be participating in the 2018 PDAC and representatives of Neo Lithium will be available at booth 2828 for the duration of the event, commencing on Sunday, March 4, 2018.

Please join us when Dr. Waldo Perez, Ph.D, President and CEO of Neo Lithium, presents during PDAC on Monday, March 5, 2018, at 10:45am, Room 803, MTCC, South Building.

About Neo Lithium Corp.

Neo Lithium is quickly advancing its wholly-owned, high quality 3Q Project located in Latin America's Lithium Triangle in the Province of Catamarca, Argentina, 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.

The Company 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 very robust 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.

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