Neo Lithium to Complete a Pre-Feasibility Study in Q1 2019 and Provides 3Q Project Update

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- *Pre-feasibility study expected by Q1 2019*
- *Lithium carbonate pilot plant built and has commenced operation*
- *Environmental Impact Assessment to be submitted to authorities in Q1 2019, which, once approved, represents the final approval allowing for mine construction*

TORONTO, Nov. 26, 2018 - Neo Lithium Corp. (“Neo Lithium” or the “Company”) (TSXV: NLC; OTCQX: NTTHF; FSE: NE2) is pleased to announce that it has contracted GHD, which is a well-recognized engineering firm with particular expertise in lithium brines, to complete a pre-feasibility study (“PFS”) at the 3Q Project by Q1 2019. GHD successfully completed the previous preliminary economic assessment (“PEA”) for the 3Q Project, filed on SEDAR on December 13th, 2017.

The decision to complete a PFS has been taken as a result of the significant technical progress achieved on many fronts post-PEA, including advancements in brine processing and engineering, and a significant increase in the size and grade of the resource estimate of the project.

The increase in the size of the mineral resource estimate that occurred after publishing of the PEA, and particularly the discovery of a high-grade zone with over 1,000 mg/l Lithium (see the Company’s technical report filed on September 5th, 2018 on SEDAR), is expected to reduce the size of the ponds required and consequently, reduce the capital expenditures for the project, as pond construction is the major cost for lithium brine projects. This new resource estimate is also expected to have a significant effect on the mine plan and mine life.

In addition, the discovery that calcium precipitates as calcium chloride without the use of any costly reagents has a potentially significant impact on operating cost, since there should be material savings in reagent costs.

The results of the environmental base line study and the results of the hydrogeological model showed that the extraction of brine from the salar will cause no material environmental issues that would impede the development of the 3Q Project. Furthermore, this work showed that there should be minimal impact on the brine level of the salar, even under extraction scenarios of up to 60,000 tonnes of lithium carbonate per year. This finding indicates that the 3Q Project has a significant recharge system that would allow extraction rates significantly higher than the PEA proposal of 35,000 tonnes of lithium carbonate per year. The Company, together with its engineering advisors, is currently analysing the most suitable production size scenario including a staged approach as well as diversifying the final product offering to include both lithium carbonate and lithium hydroxide. These results would be included in the PFS.

In addition, the PFS is expected to assist with the ongoing discussions concerning the strategic partner selection process to develop the 3Q project.

“As a result of the numerous material advancements at the project, a PFS is now required to provide the market and potential strategic partners a more developed technical analysis and updated economics on the 3Q project,” said Dr. Waldo Perez, President and CEO of Neo Lithium Corp. “We can complete this work in a very short period of time since all the background work has been completed and it is now only a matter of compilation work and economic re-valuation.”

The Company’s balance sheet remains strong with approximately C$45 million of net working capital to fund the ongoing work at the 3Q Project.

Pilot Plant
The pilot plant, built by the Instituto de Investigaciones Tecnologicas from Universidad de Concepcion, Chile, has been commissioned and is operating. The pilot plant has the capacity to produce 100 tonnes per year of battery grade lithium carbonate. This is a major milestone as production of lithium carbonate at a pilot plant scale is a fundamental step ahead of full production, and, in addition, will allow the Company to provide detailed specifications of the product, along with product samples, to the industry participants. We continue producing highly concentrated lithium brine at the project of approximately 4% in order to accumulate stock for the pilot plant operation. Please see pictures and a short video at our website at http://neolithium.ca/project/default.aspx#section=pictures.

Environmental Impact Assessment
With the various changes adopted in the engineering plan, that will be clarified in the PFS, the environmental impact assessment report (“EIA”) is expected to be presented to the authorities for approval in early Q1 2019. We expect approval to be granted in the first half of 2019 since the authorities have been kept up-to-date on progress at the project. Approval of the EIA is the final approval required to permit construction of a commercial scale mine.

The Company is pleased to announce that it has hired the environmental engineer Florencia Cambeses, as Environmental Manager of the project. She will be leading the environmental approval process in the Province of Catamarca.

Drilling Program and New Production Well Program
The Company has started a drilling program in the northern high-grade zone of the project to build two new production wells.

As previously reported in the Company’s technical report filed on September 5th, 2018 on SEDAR, this zone contains 746,000 tonnes of lithium carbonate in the measured and indicated resource categories at a grade of 1,007 mg/l Lithium plus 186,000 tonnes of lithium carbonate in the inferred resource category at a grade of 1,240 mg/L Lithium.

The production well that is already built in the central zone of the project has a flow rate of approximately 100 liter per second (this central zone containing 4 million tonnes of lithium carbonate in the measured and indicated categories at an average grade of 614 mg/L Lithium, plus an additional 3 million tonnes of lithium carbonate in the inferred category at an average grade of 584 mg/L Lithium). Based on the latest pump tests carried out this year, the expectation is that the new pump wells being built in the high-grade zone will be as productive as the completed central zone production well. If this is the case, the Company estimates that very few wells will be required for full commercial production - between 5 and 15 wells, depending the size of the final mine output under evaluation. This is important as generally, the fewer production wells that are required at a project, the lower the capital costs will be.

New Board Member
The Company is pleased to announce that Mr. Estanislao Auriemma has joined the Company's Board of Directors. Mr Auriemma brings more than 20 years of experience in the mining and energy sectors, and is currently the CEO and Director of Fredonia Management Limited which is actively involved in gold exploration in the Santa Cruz Province in Argentina. Prior to his tenure at Fredonia Management Limited, Mr. Auriemma held numerous executive and director positions at Grupo Minero Aconcagua S.A., Samco Gold Ltd., Andean Geothermal Ltd, and Andean Wind Power Ltd. with focus on transaction negotiations in the mining and energy sectors. Mr. Auriemma also was interim President of the Mining Chamber of Santa Cruz, and also specialized in the evaluation and financing of mining projects while working at Barclays Metals Group.

“I would like to welcome Estanislao to Neo Lithium’s board of directors and look forward to working with him,” said Constantine Karayannopoulos, Chairman of Neo Lithium Corp. “Estanislao’s experience and knowledge will be invaluable as we continue to develop the 3Q Project.”

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. Already well capitalized, Neo Lithium is rapidly advancing its newly

discovered and wholly owned 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 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 km2. Exploration results confirm a high-grade lithium resource in the central and northern portion of the salar complex (with the northern portion showing an elevated lithium concentration of over 1,000 mg/l), as well as very low combined 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 one of the largest lithium brine resources 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 project.

Waldo A. Perez, Ph.D. and P.Geo., and a qualified person for the purposes of NI 43-101, supervised the preparation of and approved the contents of this news release.

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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.