CATL Increases Investment in Neo Lithium

written by Raj Shah | March 16, 2021
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- *CATL maintains its 8% ownership in Neo Lithium with a C$2.6M investment at $3.05/share*
- *Investment improves already strong cash position to develop 3Q Lithium Project*

Neo Lithium Corp. ("**Neo Lithium**" or the "**Company**") (TSXV: NLC) (OTCQX: NTTHF) (FSE: NE2) is pleased to announce the closing of the previously announced increased equity investment by Contemporary Amperex Technology Co. Limited (SZSE: 300750) ("CATL"), whereby CATL, through a subsidiary controlled by CATL, subscribed for 860,870 common shares (the "Common Shares") of Neo Lithium at a price of C$3.05 per Common Share (the "Issue Price") for gross proceeds to Neo Lithium of C$2,625,652 (the "**Sidecar Placement**").

Pursuant to an Investor Rights Agreement (as explained below) between CATL and the Company, CATL through the closing of this investment will continue to maintain its pro rata equity interest of 8% in the Company.

Pursuant to the terms of an investor rights agreement between CATL and the Company (the "**Investor Rights Agreement**"), CATL holds a participation right to maintain its *pro rata* percentage holding in the Company. The right to the Sidecar Placement was triggered as a result of the "bought deal" private placement financing of special warrants of the Company ("**Special Warrants**") previously announced by the Company on January 20, 2021 (the "**Brokered Offering**") and subsequently closed

on February 10, 2021. Pursuant to its rights under the Investor Rights Agreement, and in parallel to the terms of the Brokered Offering, CATL shall be entitled to an additional 10% of the Shares for no additional consideration should the Company not receive a final receipt by the Ontario Securities Commission for a (final) short form prospectus qualifying the distribution of the Shares underlying the Special Warrants within two months of the closing of the Brokered Offering on February 10, 2021.

The Company intends to use the net proceeds from the Sidecar Placement to fund development work at the 3Q Lithium Project located in Catamarca, Argentina and for working capital and general corporate purposes.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and application state securities laws.

About CATL

Contemporary Amperex Technology Co., Limited (CATL) is a leader in the global lithium-ion battery industry, covering R&D, production and sales of battery systems for new energy vehicles and energy storage systems. In 2020, CATL ranked No.1 globally in terms of EV battery consumption volume for four consecutive years, according to SNE Research.

For more information, please visit http://www.catl.com.

About Neo Lithium Corp.

Neo Lithium Corp. has quickly become a prominent new name in lithium brine development by virtue of its high quality 3Q Project and experienced team. Neo Lithium is rapidly advancing its 100% 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 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.

Neither the 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 press release.

Cautionary Statements 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 concerning the Sidecar Placement and the Brokered Offering, the intended use of proceeds therefrom, the Closing Date and receipt of regulatory approvals, including the approval of the TSXV. 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 regulatory approval for the Sidecar Placement, 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, 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.