NEO Battery Materials Announces Completion of NBM Korea Series A Financing & Provides Updates on Change of Business Application

written by Raj Shah | October 12, 2022
October 12, 2022 (Source) – (**TSXV: NBM**) (**OTCQB: NBMFF**)

- South Korean Subsidiary, NBM Korea Co., Ltd., Closed Series A $3 Million CAD Strategic Investment from South Korean Automotive Parts Manufacturer, Automobile & PCB Inc. ("A&P") on July 1, 2022
- In Process of Change of Business Application to Tier 2 Industrial, Technology, or Life Sciences Issuer with TSXV Exchange

NEO Battery Materials Ltd. ("**NEO**" or the "**Company**") announces that the Company's South Korean subsidiary, NBM Korea Co., Ltd. ("**NBM Korea**"), had closed the strategic investment of ₩ 3 billion KRW, or $ 3 million CAD, from Automobile & PCB Inc. ("**A&P**") on July 1, 2022. The Company is additionally in the process of a Change of Business application to a Tier 2 Industrial, Technology, or Life Sciences issuer.

Under the terms of the Series A financing, NBM Korea has issued a total of 517,657 Common Shares at a price of ₩ 5,795 per Common Share for aggregate gross proceeds of ₩ 2,999,820,383 KRW. A&P represents 40% of the issued shares in NBM Korea Co., Ltd. The proceeds will be utilized for NEO's silicon anode material commercialization project for EV lithium-ion batteries

and the development of the South Korean mass production facility. Material terms and conditions of the agreement with A&P include: A&P may conduct due diligence over the use of the investment funds by NBM Korea and such finds shall be deposited into and managed from a separate account of NBM Korea; NBM Korea cannot transfer or collateralize any of its assets without the consent of A&P; NBM Korean cannot acquire an interest in another entity and cannot increase or decrease its capital or grant stock options; and A&P is required to be consulted on the appointment or dismissal of the NBM Korea CEO.

The Change of Business in accordance with Exchange Policy 5.2 will be subject to Exchange acceptance and the approval of shareholders of NEO Battery Materials Ltd. The Company will be providing a comprehensive information circular in regard to the Change of Business for the Annual General and Special Meeting at which the Company will be seeking shareholder approval for the proposed Change of Business.

About Automobile & PCB Inc.

Automobile & PCB Inc is a public company listed on the Korean Exchange and currently listed on the main board, KOSPI. A&P has annual revenues of CAD $70M with an operating income of CAD $6.8 M from its automotive parts business. A&P also retains a 100% subsidiary for its PCB business with yearly revenues of CAD 65M. Yongsan, another related company of A&P, has 43 years of corporate history in the automotive industry. With annual revenues of CAD $600M, it has 17 production sites across 5 countries (Korea, China, US, Mexico, and India). Customers include Hyundai, Kia Motors, Suzuki (Japan), and 4 Chinese automotive companies including BYD Auto and Great Wall.

About NEO Battery Materials Ltd.

NEO Battery Materials Ltd. is a Vancouver-based company focused on electric vehicle lithium-ion battery materials. NEO has a

focus on producing silicon anode materials through its proprietary single-step nanocoating process, which provides improvements in capacity and efficiency over lithium-ion batteries using graphite in their anode materials. The Company intends to become a silicon anode active materials supplier to the electric vehicle industry. For more information, please visit the Company's website at: https://www.neobatterymaterials.com/.

On behalf of the Board of Directors

Spencer Huh
President and CEO
604-697-2408
shuh@neobatterymaterials.com

This news release includes certain forward-looking statements as well as management's objectives, strategies, beliefs and intentions. Forward looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, the effectiveness and feasibility of technologies which have not yet been tested or proven on a commercial scale, competitive risks and the availability of financing, as described in more detail in our recent securities filings available at www.sedar.com. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. We assume no obligation to revise or update these forward-looking statements except as required by applicable law.

Neither 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 release.