Neo Lithium Announces C$30,195,000 Bought Deal Private Placement Financing

written by Raj Shah | January 21, 2021

January 20, 2021 (Source) – *All monetary amounts are expressed in Canadian Dollars, unless otherwise indicated.*

Neo Lithium Corp. ("**Neo Lithium**" or the "**Company**") (TSXV: NLC) (OTCQX: NTTHF) (FSE: NE2) is pleased to announce that it has entered into an agreement with Stifel GMP, on its own behalf and on behalf of syndicate of underwriters (together with Stifel GMP, the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase, on a bought deal private placement basis, 9,900,000 special warrants of the Company (the "**Special Warrants**") at a price of C$3.05 per Special Warrant (the "**Offering Price**") for aggregate gross proceeds to the Company of C$30,195,000 (the "**Offering**").

Each Special Warrant shall be issued under a special warrant indenture and shall entitle the holder thereof to receive, without payment of additional consideration, one common share of the Company (each a "**Common Share**").

The Special Warrants shall be deemed exercised on behalf of, and without any required action on the part of, the holders (including payment of additional consideration) on the earlier of:

> *(i) the second business day following the date on which a final receipt is obtained from the Ontario Securities Commission, as principal regulator on behalf of the securities regulatory authorities in each of the Qualifying*

*Jurisdictions (as defined herein), for a (final) short form prospectus qualifying the Common Shares for distribution (the "**Qualification Date**"); and*

(ii) 4:59 p.m. (Toronto time) on the date which is four months and a day following the Closing Date (as defined herein).

In the event the Qualification Date has not occurred on or before the date that is two months following the Closing Date, each Special Warrant shall thereafter entitle the holder to receive, upon the exercise or deemed exercise of each Special Warrant, for no additional consideration, 1.1 Common Shares.

Contemporary Amperex Technology Co., Limited's subsidiary ("**CATL**") holds a participation right to maintain its pro rata percentage holding in the Company (the "Participation Right") and may or may not exercise its Participation Right in connection with the Offering.

The Company plans to use the net proceeds from the Offering to fund development work at the 3Q Lithium Project located in Catamarca, Argentina and for working capital and general corporate purposes. More specifically, the Company intends to use the majority of the net proceeds to advance the construction of the concentration pond system at a commercial scale with a view to accelerating future production from the 3Q Project.

The Special Warrants will be offered on a private placement basis in all provinces of Canada except Québec (the "**Qualifying Jurisdictions**"). The Special Warrants will also be offered in the United States on a private placement basis pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**1933 Act**"), and in such other jurisdictions outside of Canada and the United States, as mutually agreed by the Company and the

Underwriters, in each case in accordance with all applicable laws.

The Offering is scheduled to close on or about February 10, 2021 (the "**Closing Date**") and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and other applicable securities regulatory authorities.

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 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

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 as to the Offering, the intended use of proceeds therefrom, the Closing Date, the Qualification Date, and receipt of regulatory approvals in connection therewith, including the approval of the TSXV and applicable securities regulatory authorities. 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 Offering or any special warrant qualification prospectus filed in connection therewith, 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.