

# Nevada Lithium and Iconic Minerals Enter into Arrangement Agreement to Consolidate 100% Ownership Interest In the Bonnie Claire Lithium Property, Nevada

Vancouver, British Columbia--(Newsfile Corp. - March 27, 2023) - Nevada Lithium Resources Inc. (CSE: NVLH) (OTCQB: NVLHF) (FSE: 87K) ("**Nevada Lithium**" or the "**Company**") and Iconic Minerals Ltd. (TSXV: ICM) (OTCQB: BVTEF) (FSE: YQGB) ("**Iconic**") are pleased to announce that they have entered into a definitive arrangement agreement dated March 24, 2023 (the "**Arrangement Agreement**"), whereby Nevada Lithium will acquire, by way of a plan of arrangement under the *Business Corporations Act* (British Columbia), Iconic's 50% interest in the Bonnie Claire Lithium Project (the "**Project**" or the "**Bonnie Claire Project**") located in Nye County, Nevada (the "**Arrangement**"). After the closing of the Arrangement, Nevada Lithium will hold a 100% interest in the Project.

Stephen Rentschler, Nevada Lithium's CEO, commented, *"We are pleased to announce the signing of the Arrangement Agreement with Iconic for the Bonnie Claire Project. In concert with our recently announced production of battery grade lithium carbonate<sup>1</sup>, 100% consolidated ownership will significantly enhance the Company's ability to negotiate with strategic investors and lithium end-users. Signing of the Arrangement Agreement is a key to unlocking shareholder value as the Company continues on its path towards completion of its Pre-Feasibility Study."*

Richard Kern, Iconic's President and CEO, added, *"Combining of the two joint venture partner's interests will allow Iconic's shareholders to participate in the newly consolidated Company whose primary business activity will be to move Bonnie Claire forward through Pre-Feasibility and beyond."*

Mr. Rentschler continued, *"Lithium Carbonate Equivalent (LCE) prices are now many times higher than the assumed prices used in our robust Preliminary Economic Assessment, where at a base case pricing assumption of \$13,400 USD / tonne LCE the Project returned an NPV of \$1.5 Billion USD (ATAX 8%)<sup>2</sup>. Recent 2022 drill program results have also returned the highest lithium values ever recorded at Bonnie Claire, including 3,201 ppm Li over 520 ft (158 m) within a wider interval of 1,315 ppm Li over 2,000 ft (610 m)<sup>3</sup>. With a projected annual production rate of over 30,000 tonnes of LCE, and a resource base that indicates the ability to upsize potential production further, Bonnie Claire has the potential to play a significant role in meeting global lithium needs."*

<sup>1</sup>See Nevada Lithium news release dated February 27<sup>th</sup>, 2023.

<sup>2</sup>See *Preliminary Economic Assessment NI 43-101 Technical Report on the Bonnie Claire Lithium Project, Nye Country, Nevada (Effective date of August 20<sup>th</sup>, 2021, and Issue date of February 25<sup>th</sup>, 2022)* as summarized in Nevada Lithium news release dated October 13<sup>th</sup>, 2021, which are available on Nevada Lithium's SEDAR profile at [www.sedar.com](http://www.sedar.com) Results of the Preliminary Economic Assessment (PEA) represent forward-looking information. This economic assessment is by definition preliminary in nature, and includes inferred mineral resources that are considered too speculative 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 are not mineral reserves as they do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves. Assumes 68% recovery by borehole.

<sup>3</sup>See Nevada Lithium news release dated December 7<sup>th</sup>, 2022.

## **Summary of the Arrangement**

Under the Arrangement:

- the authorized share structure of Iconic will be altered (the "**Iconic Capital Alteration**") as follows:
  - all of the issued and unissued Iconic common shares will be renamed and redesignated as "Class A common shares without par value," and the special rights and restrictions attached to those shares will be varied to provide the holders thereof with two votes in respect of each share held; and
  - a new class consisting of an unlimited number of "common shares without par value" will be created with terms and special rights and restrictions identical to those of the current Iconic common shares;
- Iconic's 50% interest in the Project, that is held through Iconic's Nevada subsidiary, Bonaventure Nevada Inc. ("**Bonaventure**"), will be transferred to a newly incorporated Nevada subsidiary, Bonnie Claire Lithium Resources Corp. ("**Iconic MergeCo Subsidiary**"), which Iconic holds through a wholly-owned British Columbia subsidiary, 1259318 B.C. Ltd. ("**Iconic MergeCo**");
- each of the issued and outstanding Iconic common shares (as renamed and redesignated Iconic Class A common shares) will be exchanged (the "**Iconic Share Exchange**") for (i) one Iconic new common share; and (ii) a fractional amount of an Iconic MergeCo share, such that after giving effect to the exchange, each Iconic shareholder will hold a proportionate interest in Iconic MergeCo, provided that Iconic will retain a 10% interest in Iconic MergeCo;
- Iconic MergeCo will amalgamate with a wholly owned subsidiary of Nevada Lithium, 1406917 B.C. Ltd. ("**Nevada Lithium MergeCo**"), and continue as one corporation (the "**Amalgamation**"); and
- the Iconic MergeCo shareholders will receive shares of Nevada Lithium in exchange for their Iconic MergeCo shares, such that immediately following the completion of the Amalgamation (the "**Closing**") the shareholders of Iconic MergeCo as a group and the shareholders of Nevada Lithium as a group will each hold 50% of the issued and outstanding Nevada Lithium shares ("**Nevada Lithium Shares**"), on a non-diluted basis (after giving effect the Debt Settlement (as defined below) but prior to giving effect to the Concurrent Financing (as defined below)).

The Arrangement Agreement contains representations, warranties and conditions of each party customary in transactions of this nature. Under the Arrangement Agreement, the terms of the Arrangement are as follows:

- at Closing, Nevada Lithium will have paid and/or settled all outstanding liabilities and debts, such that it has no outstanding liabilities (the "**Debt Settlement**");
- Iconic will retain a 10% interest in Iconic MergeCo, and will therefore receive 10% of the Nevada Lithium Shares issued to the holders of Iconic MergeCo shares;
- prior to the Closing, 1406923 B.C. Ltd. ("**Nevada Lithium Subco**") and 1396483 B.C. Ltd. ("**Nevada Lithium FinCo**") will amalgamate and continue as one corporation, where, upon Closing, each Nevada Lithium FinCo Share (as defined below) and each Nevada Lithium FinCo Warrant (as defined below) will be exchanged on a one-for-one basis for, respectively, Nevada Lithium Shares and Nevada Lithium Warrants (as defined below);
- Nevada Lithium will become the sole operator of the Project, and the balance of any funds held by Iconic in reserve on account of payments made by Nevada Lithium for exploration expenditures will be transferred to Nevada Lithium, net of a CAD \$500,000 structuring fee and any expenses and contractual obligations of Iconic in respect of the Project arising prior to Closing, including legal fees incurred in connection with the Arrangement;
- the board of directors of Nevada Lithium will be comprised of five members, consisting of Stephen Rentschler, Scott Eldridge, Richard Kern, Keturah Nathe and a nominee to be determined at the closing of the transactions;

- Mr. Stephen Rentschler would continue to serve as CEO of Nevada Lithium, and Mr. Richard Kern, the current CEO of Iconic, would be appointed the COO of Nevada Lithium;
- Nevada Lithium will grant to certain eligible persons associated with Iconic that number of Nevada Lithium stock options as is equal to the aggregate number of Nevada Lithium stock options outstanding immediately prior to Closing, with the same terms as the Nevada Lithium stock options, including as to duration and exercise price;
- Nevada Lithium will issue to Iconic 4,000,000 Nevada Lithium Warrants, each of which will entitle the holder thereof to purchase one Nevada Lithium Share for a period of two years from Closing at \$0.20 per Nevada Lithium Share; and
- if Nevada Lithium desires to issue common shares or securities convertible into common shares (each, an "**Equity Financing**") at any time after Closing (excluding certain exempt issuances) until the earlier of (i) the first anniversary of Closing; or (ii) Nevada Lithium having completed Equity Financings in the aggregate amount of \$3,000,000 (excluding the Concurrent Financing), then the Equity Financing will be completed on a rights offering basis, subject to certain exceptions (including an Equity Financing conducted at an offering price equal to or greater than the Issue Price (as defined below)).

Completion of the Arrangement is subject to approval of the Arrangement (including the Iconic Capital Alteration, the Iconic Share Exchange and the Amalgamation) by the Supreme Court of British Columbia and the affirmative vote of Iconic shareholders at a special meeting that is expected to be held in June 2023 (the "**Iconic Meeting**").

Pursuant to the terms of the Arrangement Agreement, the Arrangement is also subject to the satisfaction of various conditions precedent, including: (i) the receipt of all necessary regulatory approvals, authorizations and consents, including, as applicable, acceptance of the Arrangement by the TSX Venture Exchange and the Canadian Securities Exchange; (ii) the receipt of all necessary corporate and shareholder approvals by the parties; and (iii) other conditions provided in the Arrangement Agreement. The Arrangement Agreement also provides for a payment of a termination fee of \$500,000 payable by Iconic or Nevada Lithium to the other in certain circumstances.

Further details regarding the terms of the Arrangement are set out in the Arrangement Agreement, a copy of which will be filed under each of Nevada Lithium's and Iconic's SEDAR profiles at [www.sedar.com](http://www.sedar.com). Additional information in respect of the Arrangement (and the Iconic Capital Alteration, the Iconic Share Exchange and the Amalgamation) will be provided in the management information circular to be prepared by Iconic in connection with the Iconic Meeting, which will be provided to Iconic's securityholders by mail or notice and access and filed under Iconic's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Nevada Lithium \$5.12 Million Financing***

In connection with the Arrangement, Nevada Lithium and Nevada Lithium FinCo closed a non-brokered private placement offering for aggregate gross proceeds of \$5,120,998, comprised of an aggregate of 38,330,000 subscription receipts ("**Subscription Receipts**") at a price of \$0.125 per Subscription Receipt (the "**Issue Price**") and the issue and sale of promissory notes of Nevada Lithium (the "**Promissory Notes**") in the principal amount of \$304,748 (collectively, the "**Concurrent Financing**"). PowerOne Capital Markets Limited and Primary Capital Inc. along with certain other eligible persons acted as finders in connection with the Concurrent Financing.

The Subscription Receipts issued pursuant to the Concurrent Financing will automatically convert, without payment of any additional consideration or further action on the part of the holder thereof, as follows: (i) each Subscription Receipt of Nevada Lithium will be converted into one unit ("**Nevada Lithium Units**"), consisting of one Nevada Lithium Share and one-half of one Nevada Lithium Share purchase warrant (each whole warrant, a "**Nevada Lithium Warrant**"); and (ii) each Subscription Receipt of Nevada Lithium FinCo shall be converted into one unit ("**Nevada Lithium FinCo Units**"),

consisting of one common share of Nevada Lithium FinCo (a "**Nevada Lithium FinCo Share**") and one-half of one share purchase warrant of Nevada Lithium FinCo (each whole warrant, a "**Nevada Lithium FinCo Warrant**"). Upon completion of the Arrangement, each Nevada Lithium FinCo Share and each Nevada Lithium FinCo Warrant will be exchanged on a one-for-one basis for, respectively, Nevada Lithium Shares and Nevada Lithium Warrants. Following completion of the Arrangement, each Nevada Lithium Warrant will entitle the holder thereof to acquire one additional Nevada Lithium Share at a price of \$0.20 until the date that is 24 months following the closing of the Arrangement.

In connection with the issue and sale of the Promissory Notes, Nevada Lithium entered into debt conversion agreements with the holders of the Promissory Notes, providing for the conversion of the principal amounts owing under the Promissory Notes into Nevada Lithium Units upon closing of the Arrangement.

The net proceeds from the sale of the Subscription Receipts will be released to Nevada Lithium on Closing.

For further details regarding the Concurrent Financing, please refer to the press release of Nevada Lithium dated February 24, 2023, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Legal Advisors**

Garfinkle Biderman LLP is acting as legal counsel to Nevada Lithium.

Lotz & Company is acting as legal counsel to Iconic.

### **Qualified Persons**

Darren L. Smith, M.Sc., P. Geo., Vice President of Exploration of Nevada Lithium, and a qualified person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"), supervised the preparation of the technical information in this news release. Mr. Smith is not independent as he is the Vice President of Exploration of Nevada Lithium.

Richard Kern, B.Sc., M.Sc., P.Geo, CEO of Iconic, and a qualified person as defined by NI 43-101, has reviewed and approved the technical information contained in this news release. Mr. Kern is not independent as he is the President and CEO of Iconic.

### **Bonnie Claire Project**

The Bonnie Claire Project is located within Sarcobatus Valley, which is approximately 30 km (19 miles) long and 20 km (12 miles) wide. Quartz-rich volcanic tuffs containing anomalous amounts of lithium occur within and adjacent to the valley. Drill results from the salt flat include 2,054 ppm Li over 67.1 m (220 ft) in drill hole BC-1601 as well as a 475 m (1560 ft) vertical intercept that averaged 1153 ppm Li.

The Bonnie Claire Project is one the largest lithium resources in North America with a current NI 43-101 inferred mineral resource 3,407 million tonnes (Mt) grading 1,013 ppm Li for 18,372 million kilograms of contained lithium carbonate equivalent, at a cut-off grade of 700 ppm Li.<sup>4</sup> Mineral resources are not mineral reserves as they do not have demonstrated economic viability.

The gravity low that characterizes the valley is approximately 20 km (12 miles) long, and the current estimates of depth to basement rocks range from 600 to 1,200 meters (2,000 to 4,000 feet). The current claim block covers an area of 74 km<sup>2</sup> (28.6 mi<sup>2</sup>) with potential for brine systems and further sediment resources.

<sup>4</sup>See *Preliminary Economic Assessment NI 43-101 Technical Report, Bonnie Claire Lithium Project, Nye County, Nevada (Effective date of August 20, 2021)*, available on Nevada Lithium's SEDAR profile at [www.sedar.com](http://www.sedar.com)

## **About Nevada Lithium Resources Inc.**

Nevada Lithium Resources Inc. is a mineral exploration and development company focused on shareholder value creation through its core asset, the Bonnie Claire Lithium Project, located in Nye County, Nevada, where it currently holds a 50% interest. A recently completed NI 43-101 Preliminary Economic Assessment returned attractive investment metrics and the company is actively advancing the Project towards Pre-Feasibility. Learn more: <https://www.nvlithium.com>.

## **About Iconic Minerals Ltd.**

Iconic is a mineral exploration and development company with several quality lithium and gold exploration projects located throughout Nevada, USA and currently owns 50% interest in the Bonnie Claire Lithium Project. For further information on Iconic, please visit its website at [www.iconicminerals.com](http://www.iconicminerals.com).

## **On behalf of the Board of Directors of Nevada Lithium Resources Inc.**

*"Stephen Rentschler"*  
Stephen Rentschler, CEO

## **On behalf of the Board of Directors of Iconic Minerals Ltd.**

*"Richard Kern"*  
Richard Kern, President and CEO

## **For further information, please contact:**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) or the Canadian Securities Exchange accepts responsibility for the adequacy or accuracy of this release. The TSX Venture Exchange has in no way passed upon the merits of the Arrangement and has not approved or disapproved of the contents of this news release.*

## **Cautionary Note to United States Investors**

*Iconic prepares its disclosure in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Terms relating to mineral resources in this news release are defined in accordance with NI 43-101 under the guidelines set out in CIM Standards. The U.S. Securities and Exchange Commission (the "SEC") has adopted amendments effective February 25, 2019 (the "SEC Modernization Rules") to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934.*

*As a result of the adoption of the SEC Modernization Rules, the SEC will now recognize estimates of "measured mineral resources," "indicated mineral resources" and "inferred mineral resources," which are defined in substantially similar terms to the corresponding CIM Standards. In addition, the SEC*

*has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding CIM Standards.*

*U.S. investors are cautioned that while the foregoing terms are "substantially similar" to corresponding definitions under the CIM Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Standards. Accordingly, there is no assurance any mineral resources that Nevada Lithium may report as "measured mineral resources," "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had Nevada Lithium prepared the resource estimates under the standards adopted under the SEC Modernization Rules.*

*In accordance with Canadian securities laws, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.*

### **Cautionary Note Regarding Forward-Looking Statements**

*This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to matters that identify future events or future performance. Often, but not always, forward-looking information can be identified by words such as "could", "pro forma", "plans", "expects", "may", "will", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.*

*The forward-looking statements contained herein include, but are not limited to statements regarding: the completion of the Arrangement and the terms on which the Arrangement is intended to be completed; the completion and terms of the Iconic Capital Alteration, the Iconic Share Exchange and the Amalgamation; the agenda and date of the Iconic Meeting, the ownership of Nevada Lithium shares by the shareholders of Iconic MergeCo as a group and the shareholders of Nevada Lithium as a group; the completion of the Debt Settlement; the conversion of Subscription Receipts in connection with the Concurrent Financing and the terms on which the Subscription Receipts are intended to convert; the operations of the Project; the composition of the management and the board of directors of Nevada Lithium upon Closing; the grant of stock options, Nevada Lithium Shares and Nevada Lithium Warrants by Nevada Lithium; the ability of Nevada Lithium and Iconic to obtain necessary approvals (including, without limitation, shareholder, court, regulatory and TSX Venture Exchange and Canadian Securities Exchange approvals); the anticipated business plans and timing of future activities of Iconic and Nevada Lithium; the anticipated benefits and results of the Arrangement; the performance of the Bonnie Claire Project after the completion of the Arrangement (including, without limitation, its mineral resources, current claims and its ability to utilize global lithium needs); and the performance of lithium as a commodity, including the sustained lithium demand and prices.*

*In making the forward-looking statements in this news release, Iconic and Nevada Lithium have applied several material assumptions, including without limitation: Iconic and Nevada Lithium obtaining TSX Venture Exchange and Canadian Securities Exchange acceptance; Iconic and Nevada Lithium obtaining requisite regulatory, court and shareholder approvals and the satisfaction of other conditions to the consummation of the Arrangement on the proposed terms; market fundamentals that result in sustained lithium demand and prices; the receipt of any necessary permits, licenses and regulatory approvals in connection with the future development of the Project in a timely manner; the availability of financing on suitable terms for the development; construction and continued operation of the Project; the Project containing mineral resources; and Iconic and Nevada Lithium's ability to comply with all applicable regulations and laws, including environmental, health and safety laws.*

*Investors are cautioned that forward-looking statements are not based on historical facts but instead reflect Iconic and Nevada Lithium's respective management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of managements considered reasonable at the date the statements are made. Although Iconic and Nevada Lithium believe that the expectations reflected in such forward-looking statements are reasonable, such information involves risks and uncertainties, and under reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements expressed or implied by Iconic and Nevada Lithium. Among the key risk factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: operating and technical difficulties in connection with mineral exploration and development and mine development activities at the Project; estimation or realization of mineral reserves and mineral resources, requirements for additional capital; future prices of precious metals and lithium; changes in general economic, business and political conditions, including changes in the financial markets and in the demand and market price for commodities; possible variations in ore grade or recovery rates; possible failures of plants, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; the inability of Iconic and Nevada Lithium to close the Arrangement on the terms provided herein; delays or the inability of Iconic and Nevada Lithium to obtain any necessary approvals, permits, consents or authorizations required, including TSX Venture Exchange or Canadian Securities Exchange acceptance; financing or other planned activities; changes in laws, regulations and policies affecting mining operations; currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities; risks relating to epidemics or pandemics such as COVID-19, including the impact of COVID-19 on Iconic and Nevada Lithium's business; risks related to joint venture operations; the potential impact of the announcement or consummation of the Arrangement on relationship, including with regulatory bodies, employees, suppliers, customers and competitors; the diversion of Iconic and Nevada Lithium's respective management time on the Arrangement; and risks related to the integration of acquisitions, as well as those factors discussed under the heading "Risk Factors" in Iconic and Nevada Lithium's latest Management Discussion and Analysis and other filings of Iconic and Nevada Lithium with the Canadian Securities Authorities, copies of which can be found under the respective party's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*Should one or more of these risks or uncertainties materialized, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Iconic and Nevada Lithium have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Iconic and Nevada Lithium do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*



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