



Neometals

Diggers Presentation

ASX Code: NMT

August 2016

Disclaimer

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Financial data: All figures in this document are in Australian dollars (AUD) unless stated otherwise.

Not financial product advice: This document is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire securities in Neometals. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making any investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

Investment risk: An investment in securities in Neometals is subject to investment and other known and unknown risks, some of which are beyond the control of Neometals. The Company does not guarantee any particular rate of return or the performance of Neometals. Investors should have regard to the risk factors outlined in this document.

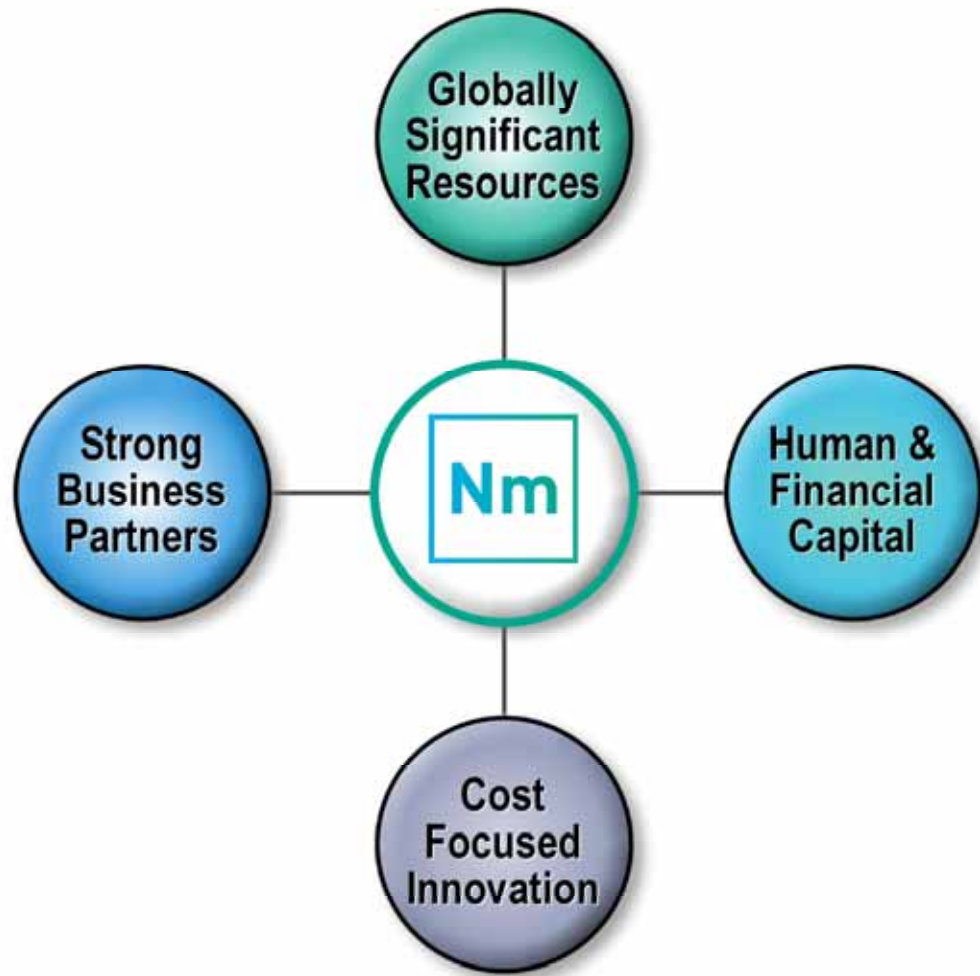
Competent Persons Statement:

The information in this document that relates to “Barrambie Scoping Study Results”, “Mt Marion test work results”, “Barrambie Mineral Resource Estimates”, “Mt Marion Mineral Resource Estimates” and “Barrambie Pre Feasibility Study Results” is extracted from ASX Releases set out below. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Releases set out below, and in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in those ASX Releases continue to apply and have not materially changed.

6/12/2013	Barrambie - Amended JORC 2012 Mineral Resource Estimate
25/08/2015	Barrambie Pre Feasibility Study Results
5/7/2016	Mt Marion Lithium Project - Mineral Resource Estimate increases 160% to 60.5Mt
11/7/2016	Positive lithium Downstream Processing Results

The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production targets in the Barrambie Pre-feasibility Study and Mt Marion Pre-feasibility Study continue to apply and have not materially changed.

Our Strategy



To generate multiple, long term cashflow streams that we can share with our shareholders

2 cent unfranked div – April '16
A\$5M/5% on market buyback

Corporate Details

ASX CODE: NMT

OTC:RDRUY

Last close (20-July-2016)	A\$	0.395
Shares on issue	m	563
Market capitalisation	A\$m	222
Net Cash (30-June-2016)	A\$m	79.2
Enterprise value	A\$m	143

DIRECTORS/MANAGEMENT

Steven Cole	Non-Executive Chairman
Chris Reed	Managing Director & CEO
David Reed	Non-Executive Director
Natalia Streltsova	Non-Executive Director
Doug Ritchie	Non-Executive Director
Michael Tamlin	COO
Jason Carone	CFO & Company Sec.

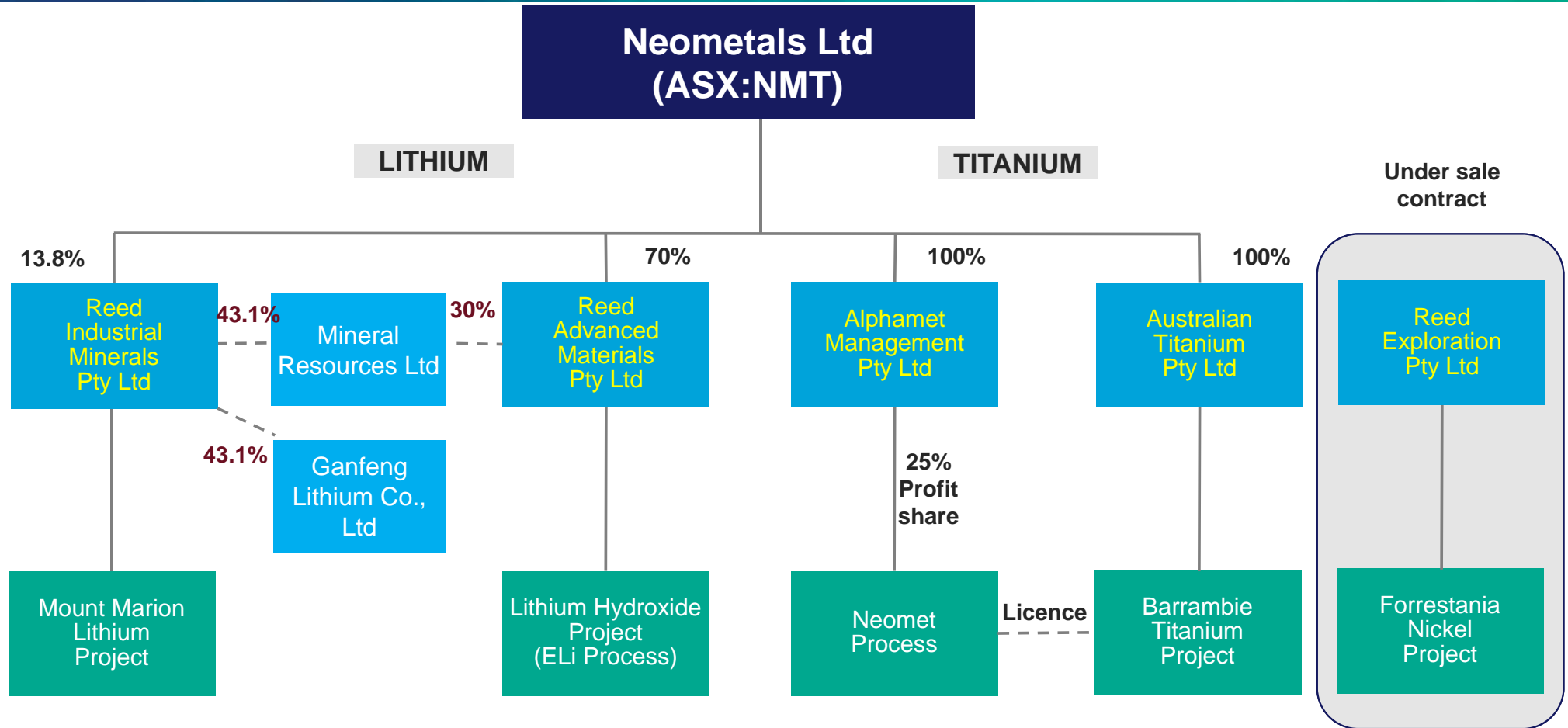
12 MONTH SHARE PRICE



MAJOR SHAREHOLDERS

David Reed	11.7%
Melaid Holding Inc	6.8%
Top 20 (31-May-2016)	39%

Operating structure



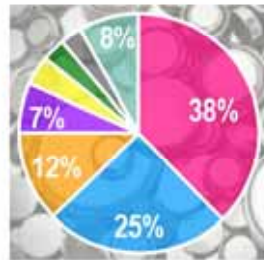
All the right elements



Demand Fundamentals

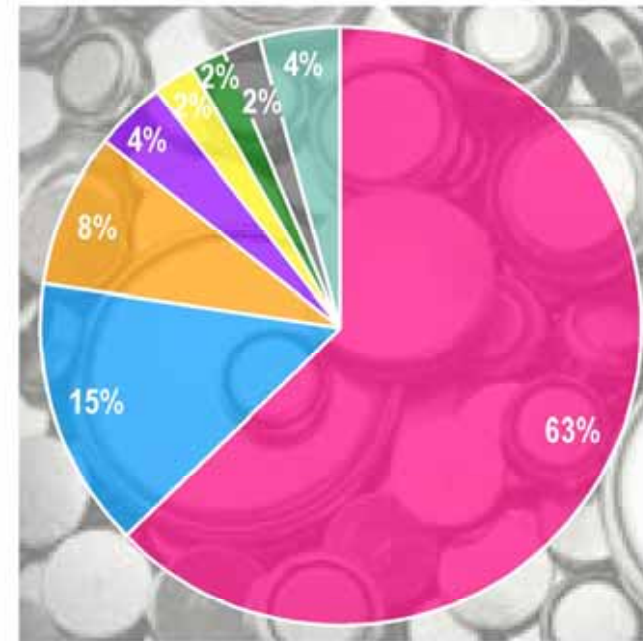


Lithium Demand by Application - 2014
(200,000t of LCE)



- Batteries
- Ceramics and glass
- Lubricating greases
- Metallurgy
- Air conditioning
- Polymers
- Medicine
- Others

Lithium Demand by Application - 2025
(500,000t of LCE - forecast)



- Batteries
- Ceramics and glass
- Lubricating greases
- Metallurgy
- Air conditioning
- Polymers
- Medicine
- Others

Source: signumBox estimates

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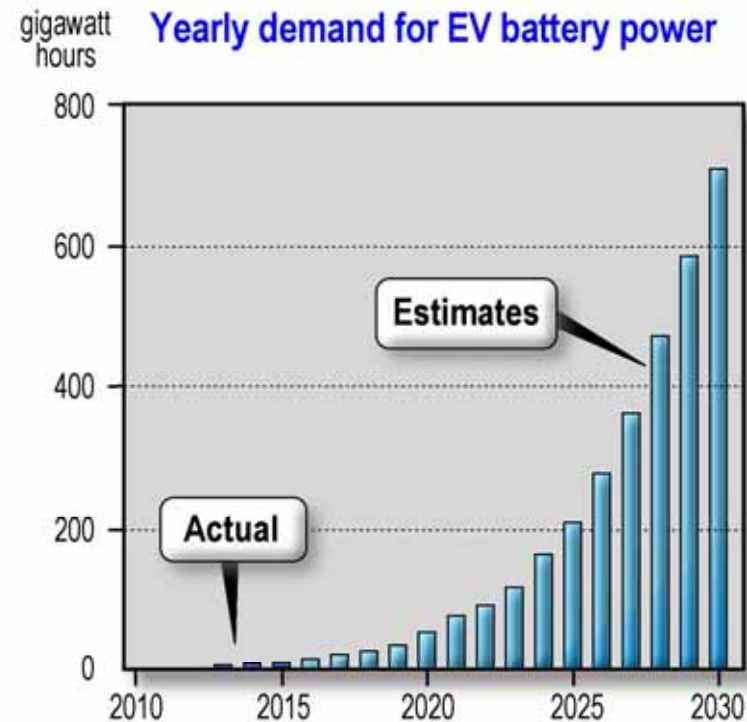
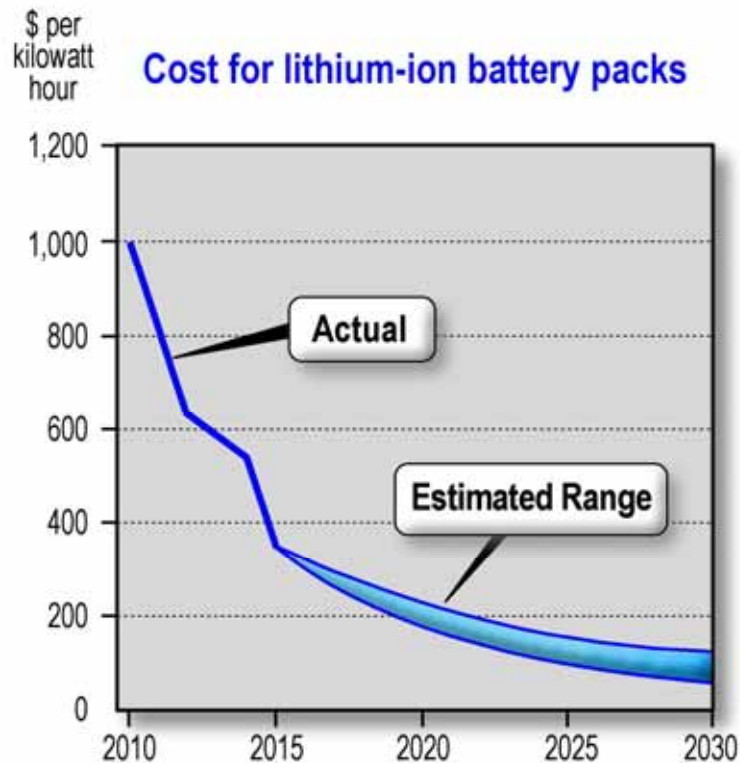


Demand Growth - Electric Vehicles



Its All About The Batteries

Batteries make up a third of the cost of an electric vehicle.
As battery costs continue to fall, demanded for EVs will rise.



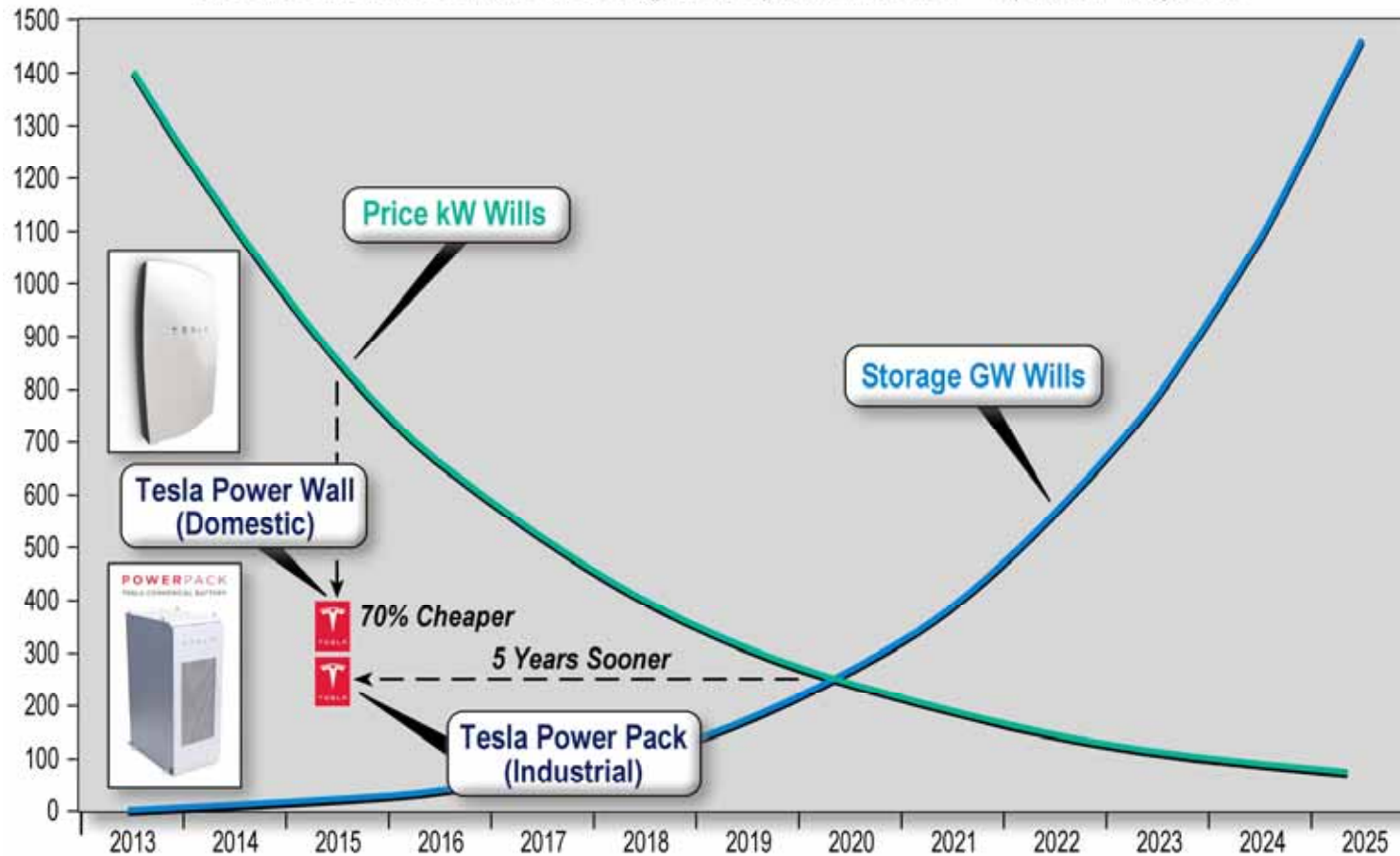
Source: Data compiled by Bloomberg New Energy Finance

Demand Growth – Stationary Storage



Global Battery Storage (GW) and Price (\$/kW)

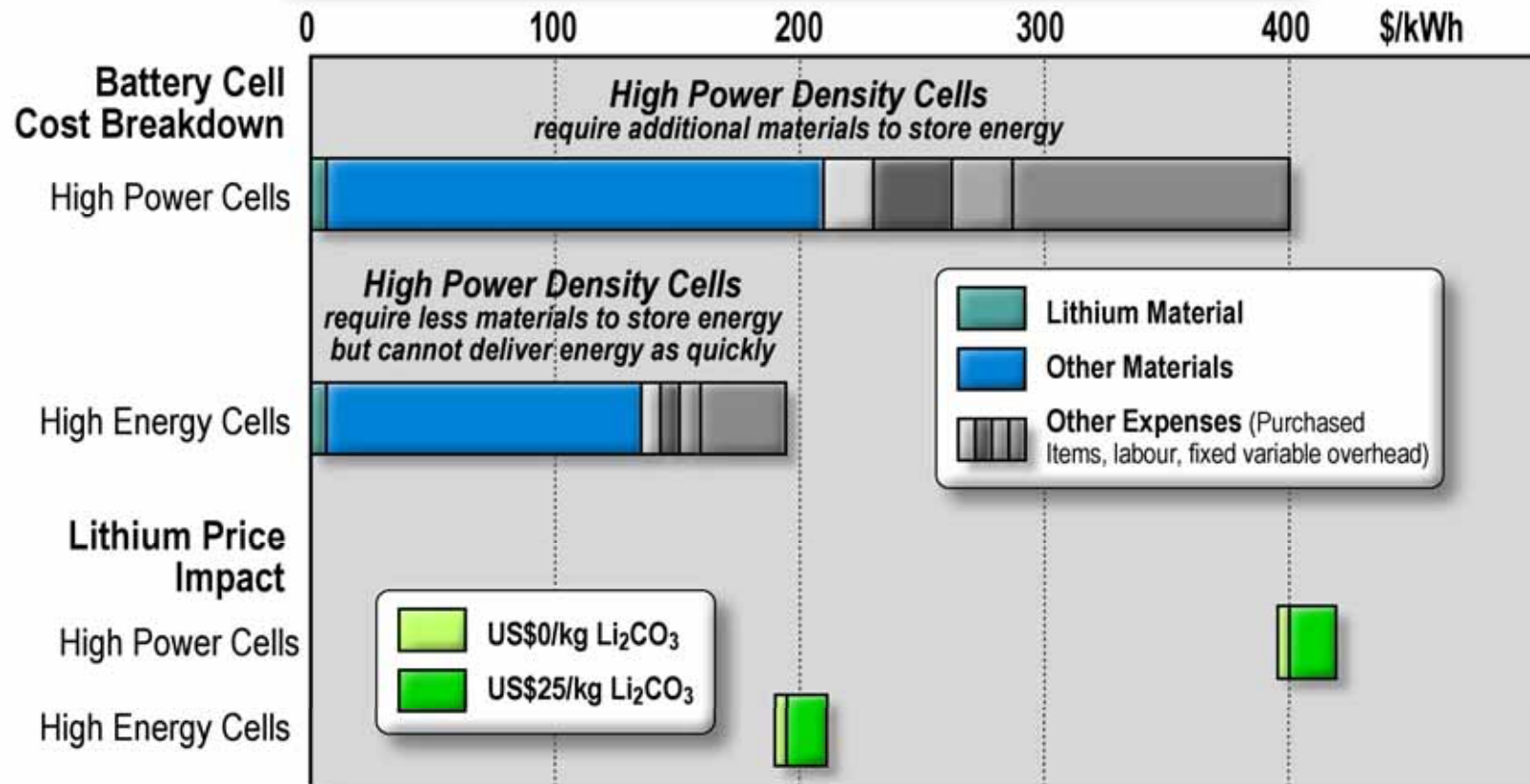
2013 / 2014 market data 2015 on @ProfRayWills forecast Update 7 May 2015



Demand Fundamentals – Price Inelasticity



Lithium Price Impacts on EV Batteries



Source: Journal of Power Sources, Vol 320, 15 July 2016, Pages 310-313

Supply Fundamentals



Mine Production in 2014 of Contained Tonnes of Lithium Carbonate Equivalent (LCE)



- ✓ Brines have larger Capex/lead times of +5 years
- ✓ Chinese converters have lead times of 1 year

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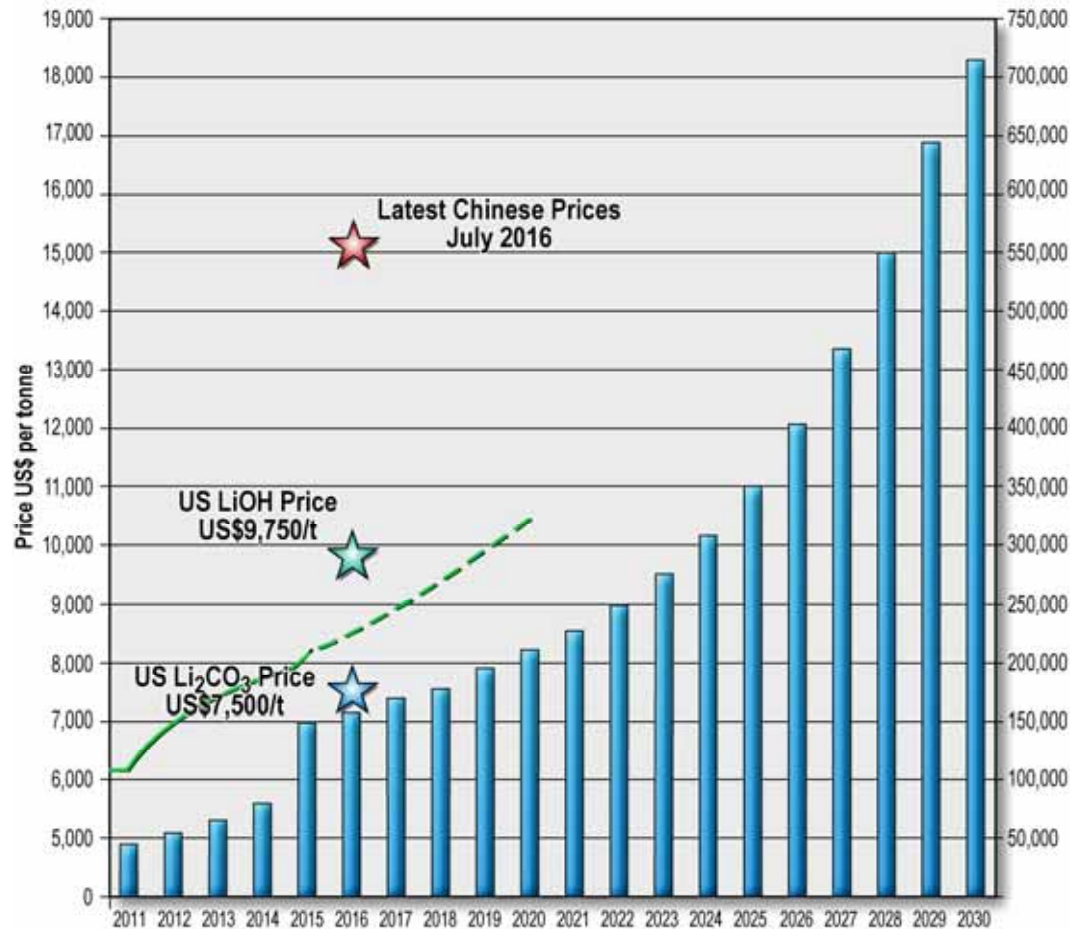


Strong demand – constrained supply



Lithium Chemicals in Cathode Materials for Rechargeable Batteries

Demand in metric tonnes of lithium carbonate equivalent (LCE)

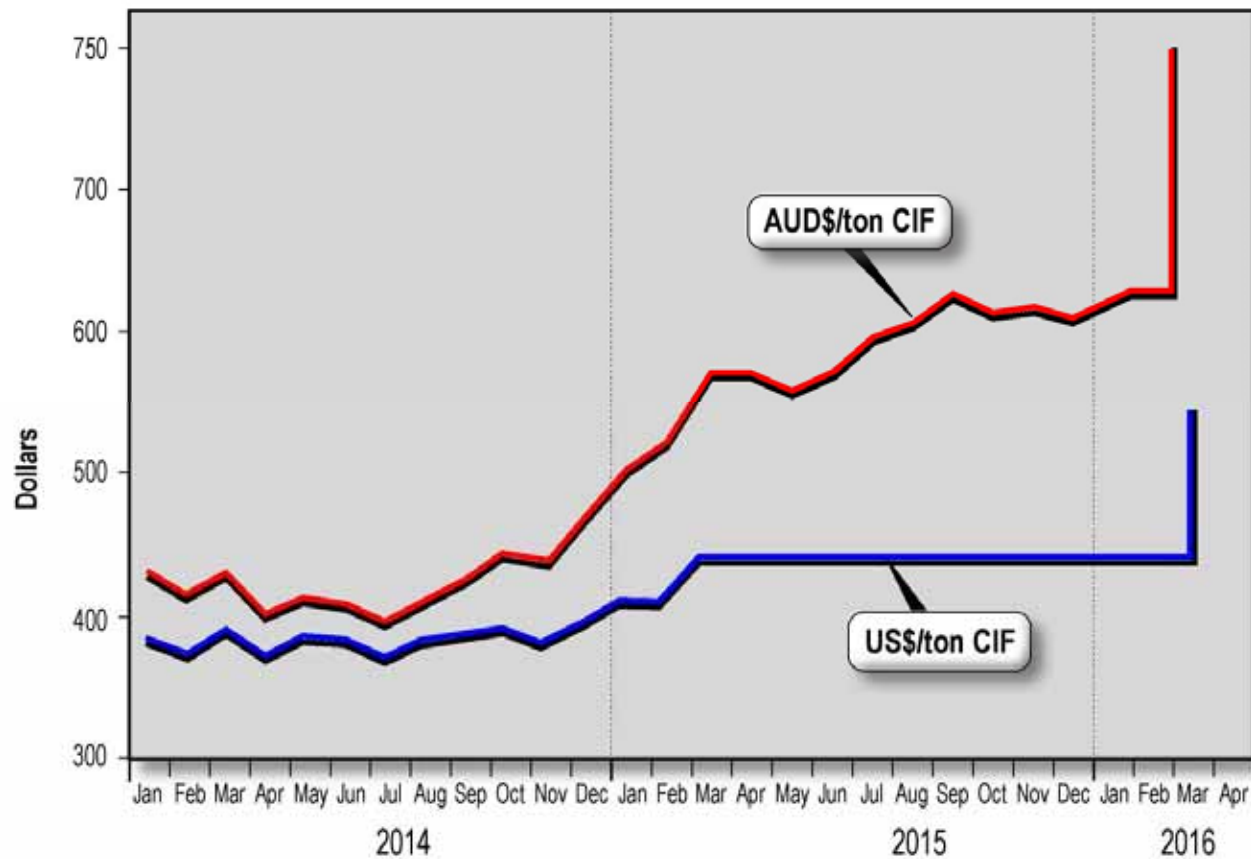


LiOH: Lithium hydroxide, Li₂CO₃: Lithium carbonate. Demand: Forecast Source: signumBOX Price: Industrial Minerals 21 July 2016

Lithium Concentrate Prices



Chinese Spodumene Imports 2014 - 2016: From Australia
(6% Li₂O)

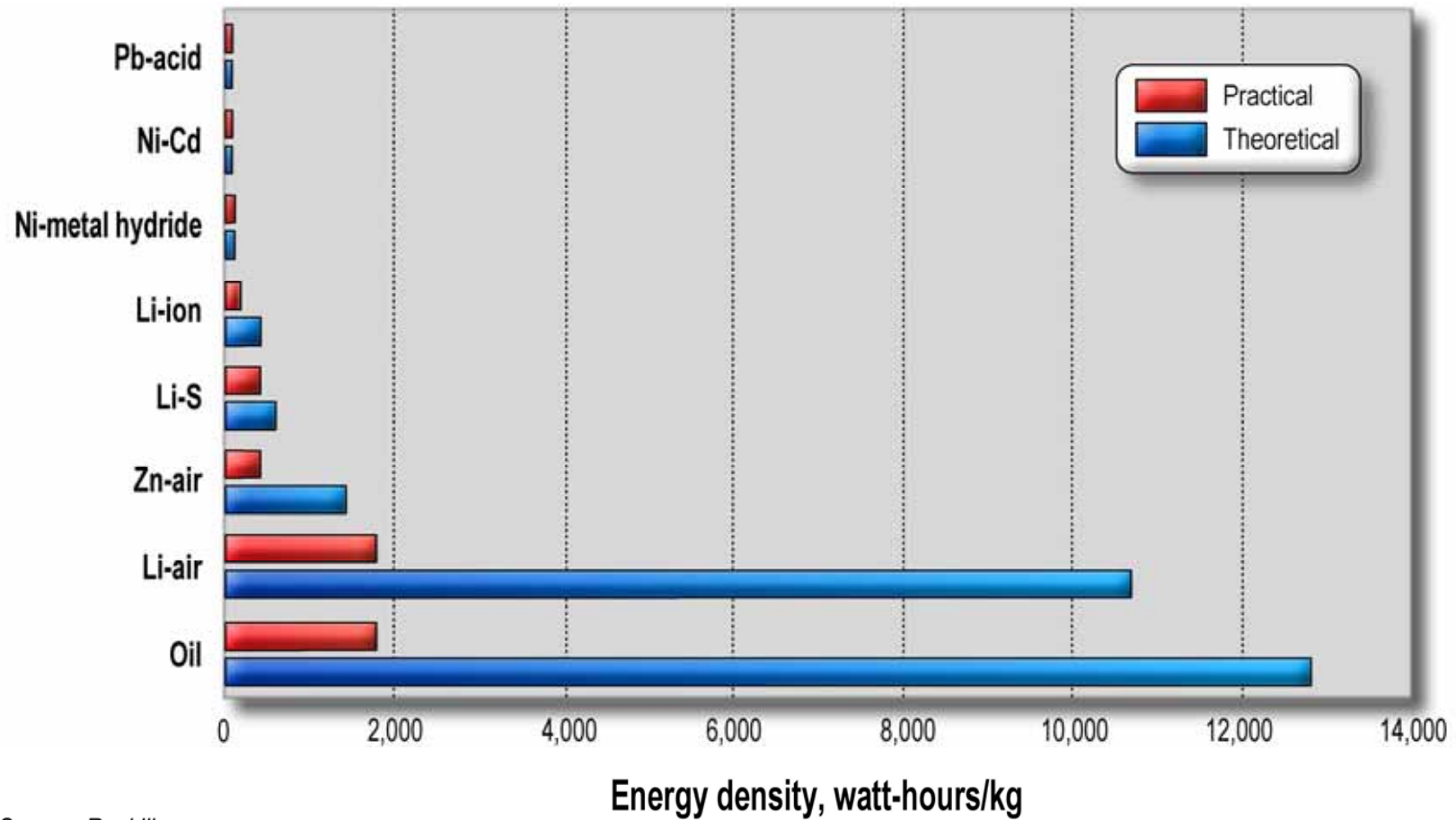


Source: SignumBOX, Global Trade Information Services and Neometals Management

LT Demand Fundamentals



Lithium is the only real alternative to oil



Source: Roskill

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Mt Marion Lithium Project

13.8% Neometals Ltd
43.1% Ganfeng Lithium
43.1% and Operator
Mineral Resources Ltd
(ASX:MIN)



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Strong Operating Partner



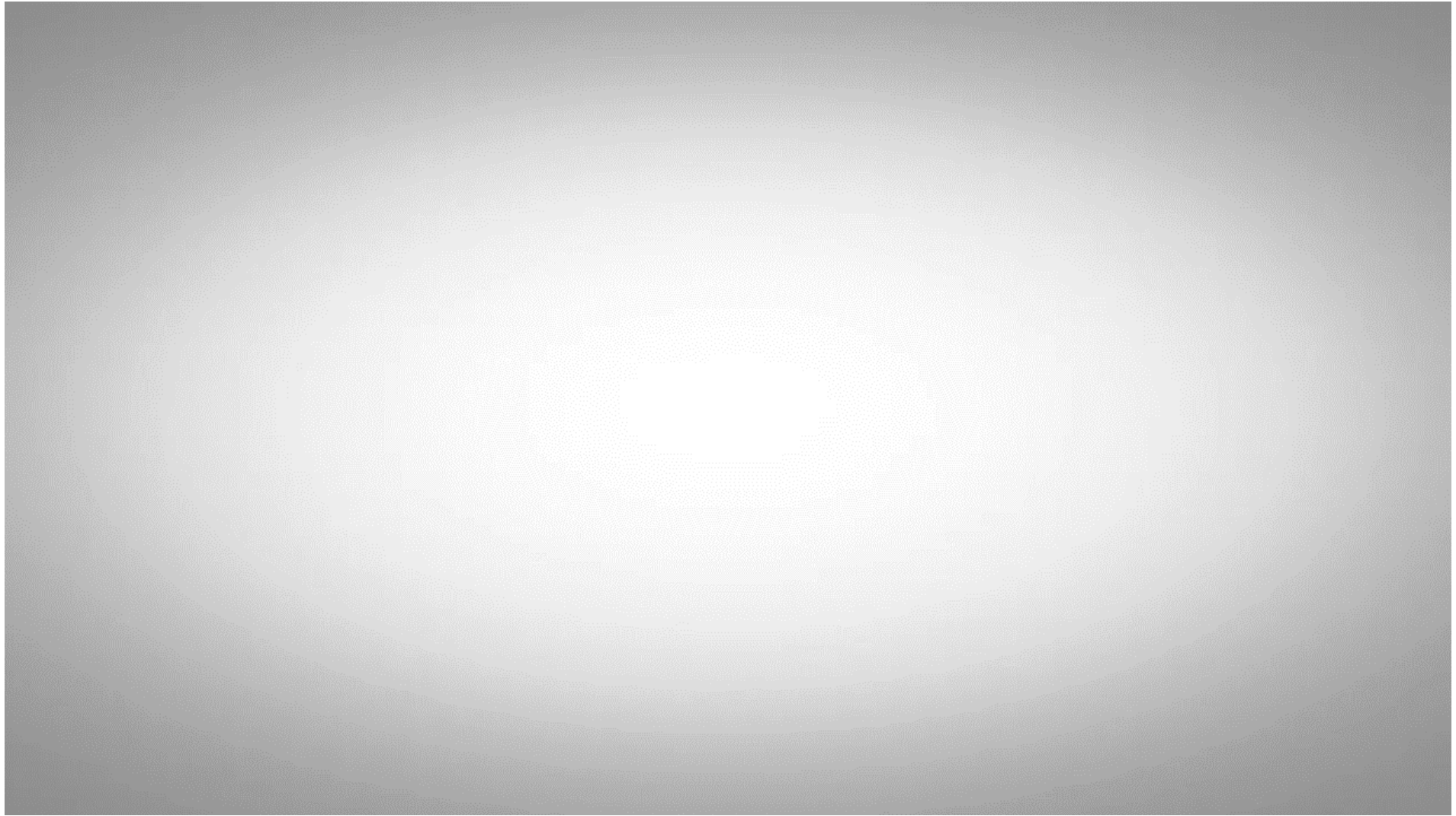
- ✓ Australia's largest contract minerals processor
- ✓ Operate mine-to-port on BOO basis
- ✓ No upfront capital cost to NMT
- ✓ Certainty of construction and production timing
- ✓ Minimum production levels
- ✓ Fixed rate mining and processing costs

Strong Offtake Partner



- ✓ China's leading, most profitable lithium producer
- ✓ Life-of-Mine, Take-or-pay Offtake Agreement
- ✓ At Market Price with floor price protection
- ✓ US\$20M Letter of Credit (100% payment on shipping)
- ✓ Ability for MIN/Neometals to take equity share of production after 3 years.

Flythrough



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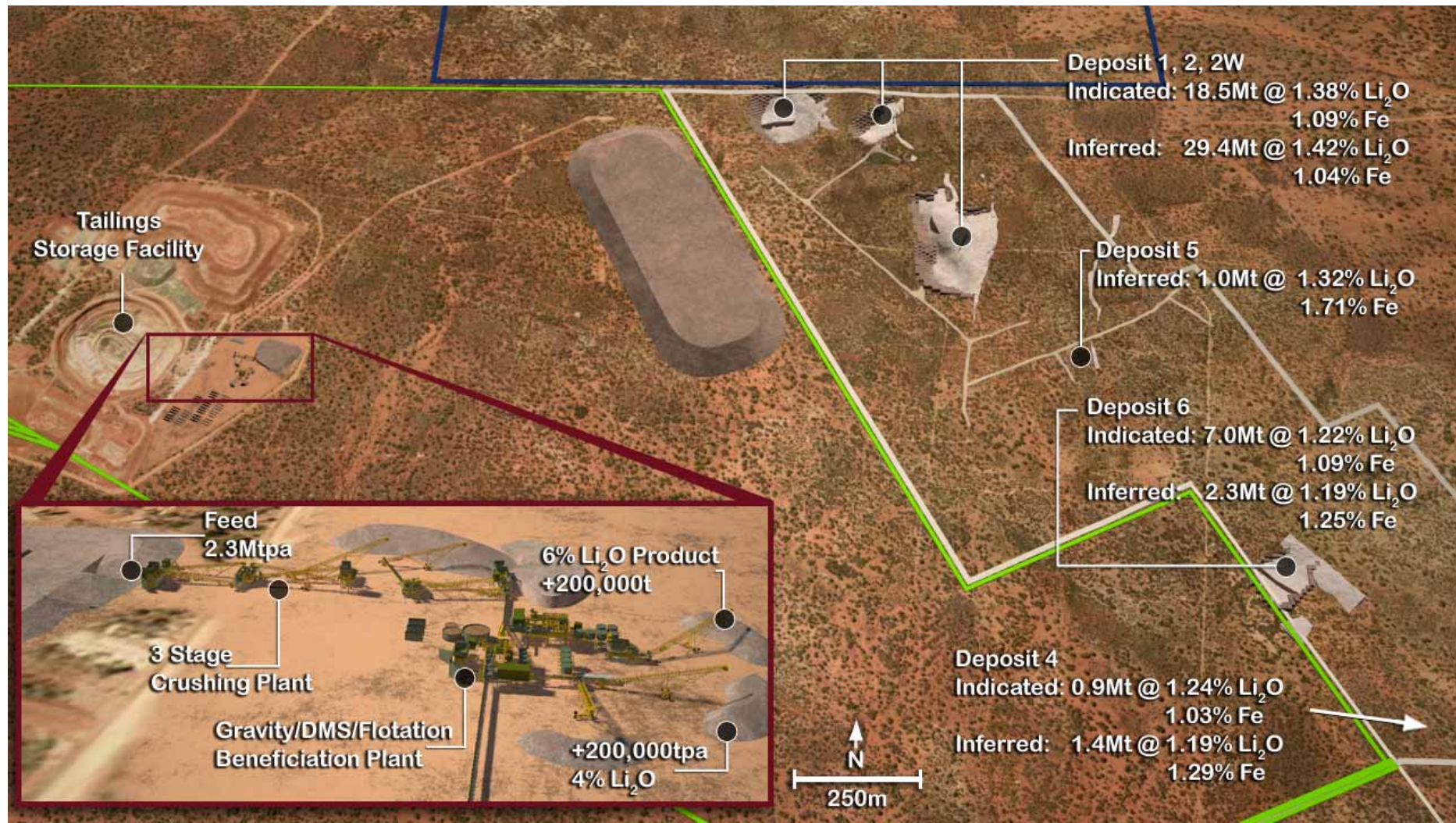
Deposit 1



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Site layout



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Crushing & Screening



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Beneficiation



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Mt Marion Resource – July '16

60.5 Mt @ 1.36% Li_2O at 0.3% Li_2O cut-off

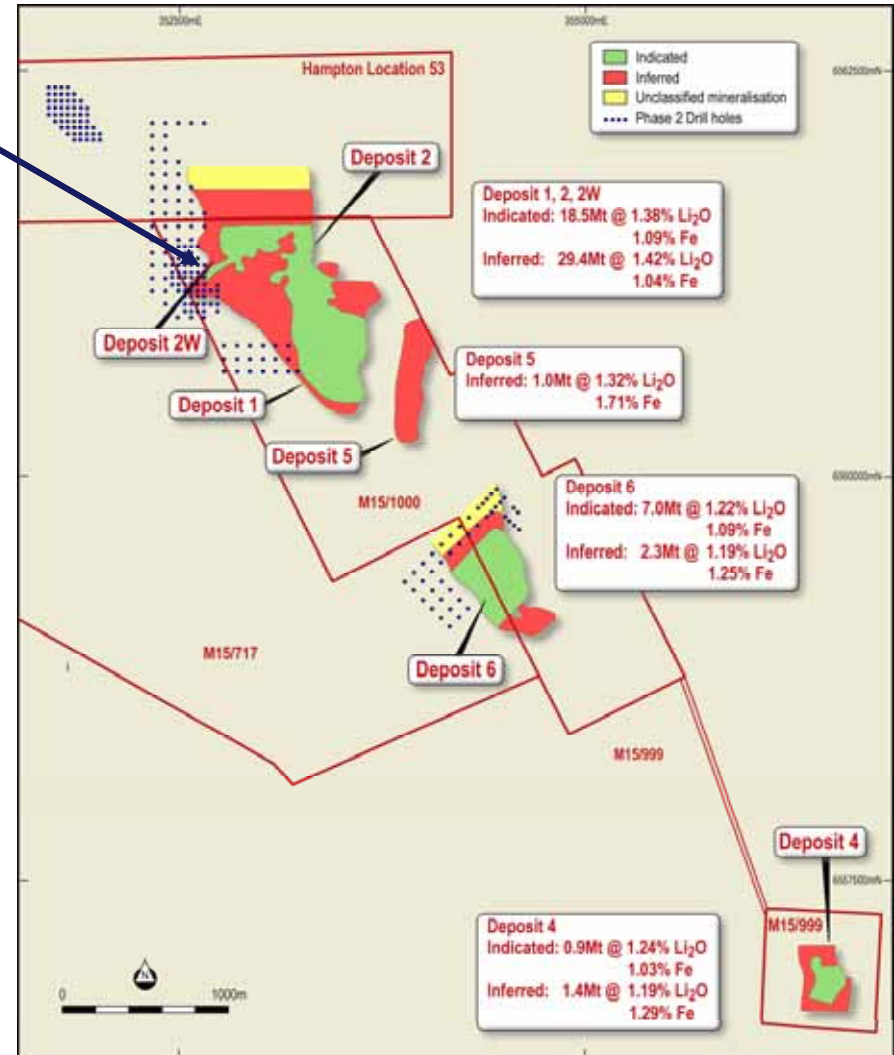
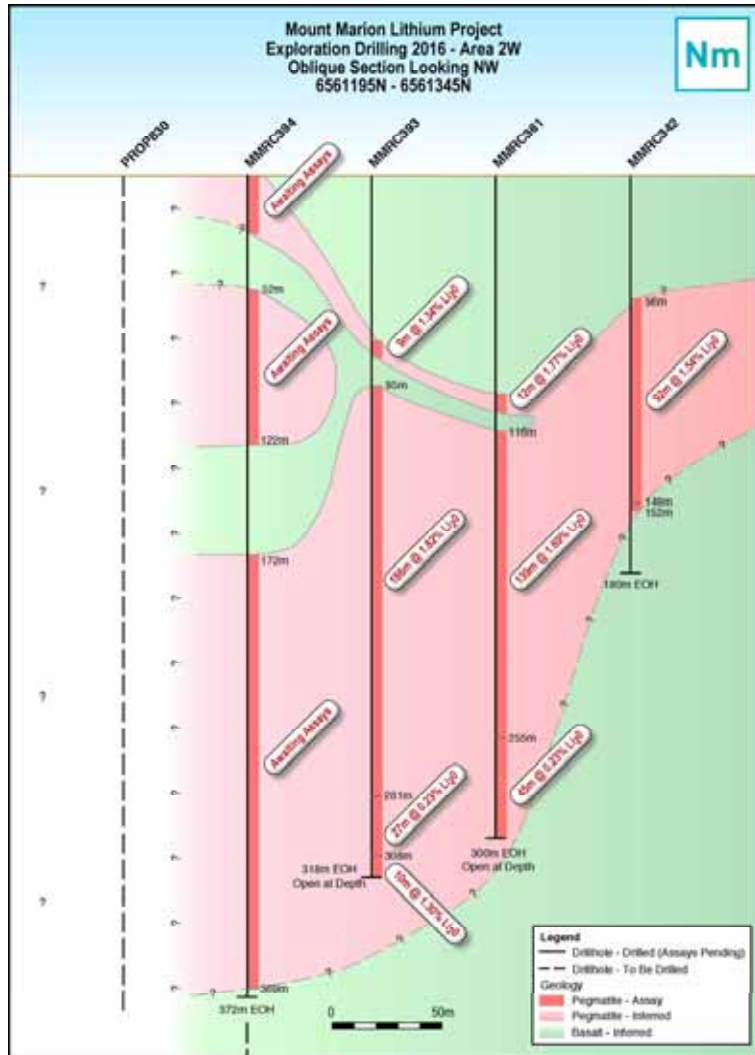


Figure may not sum due to rounding
Significant figures do not imply an added level of precision

$$\text{Li} + \text{Ti} = \text{Nm}$$

Project milestones





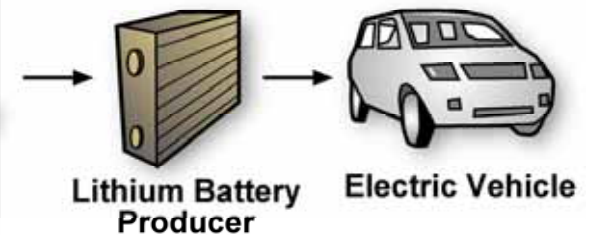
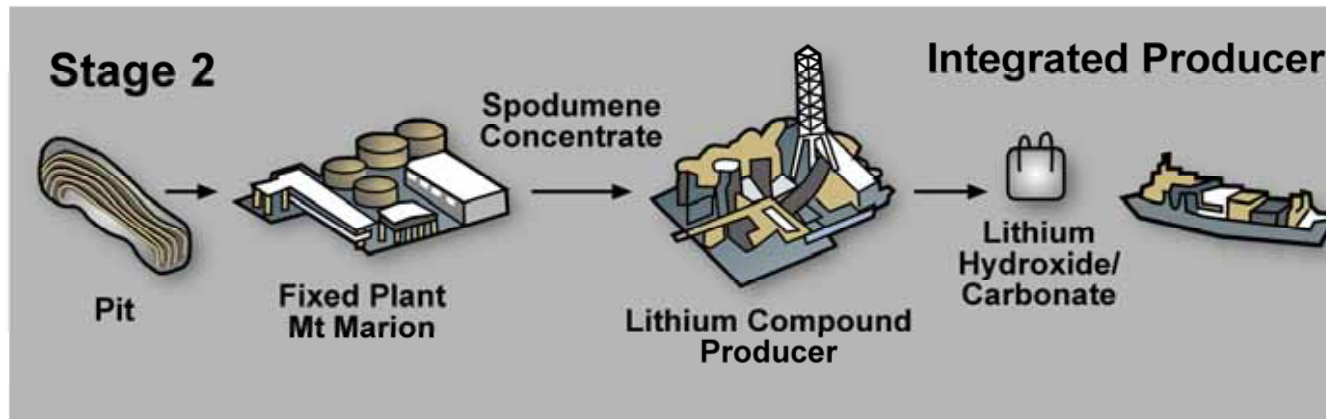
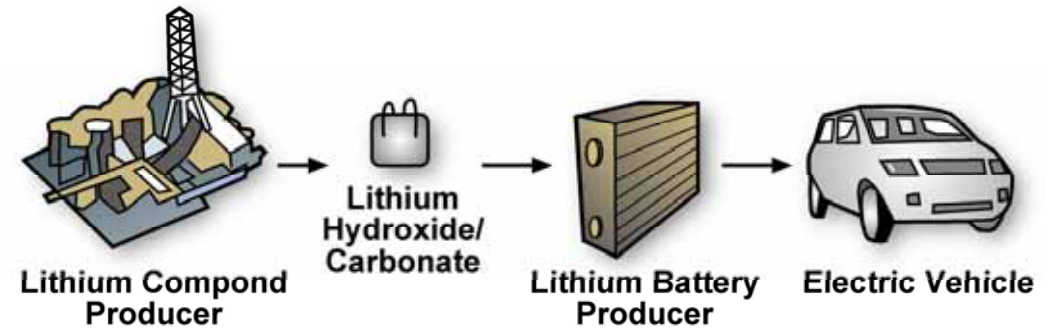
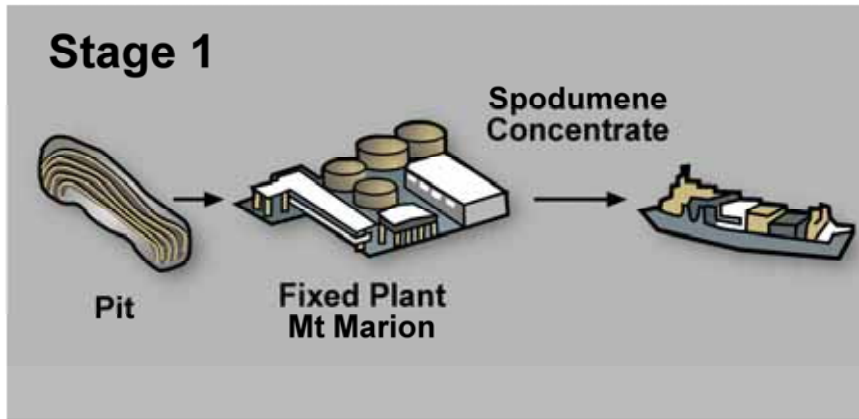
Downstream processing

Lithium Hydroxide (LiOH)

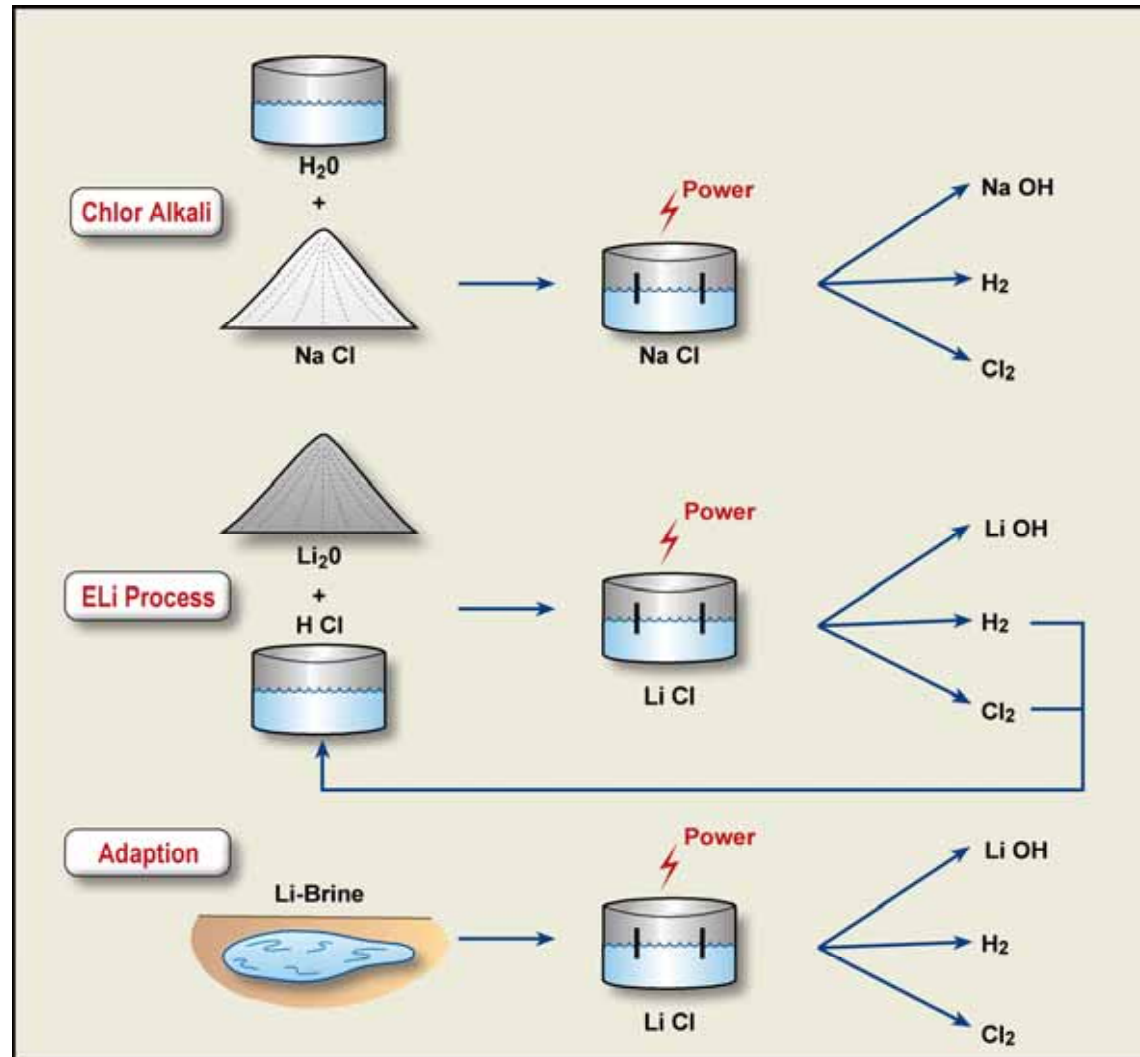
70% Neometals Ltd

30% Mineral Resources Ltd

Strategy



Own low-cost Patented Technology



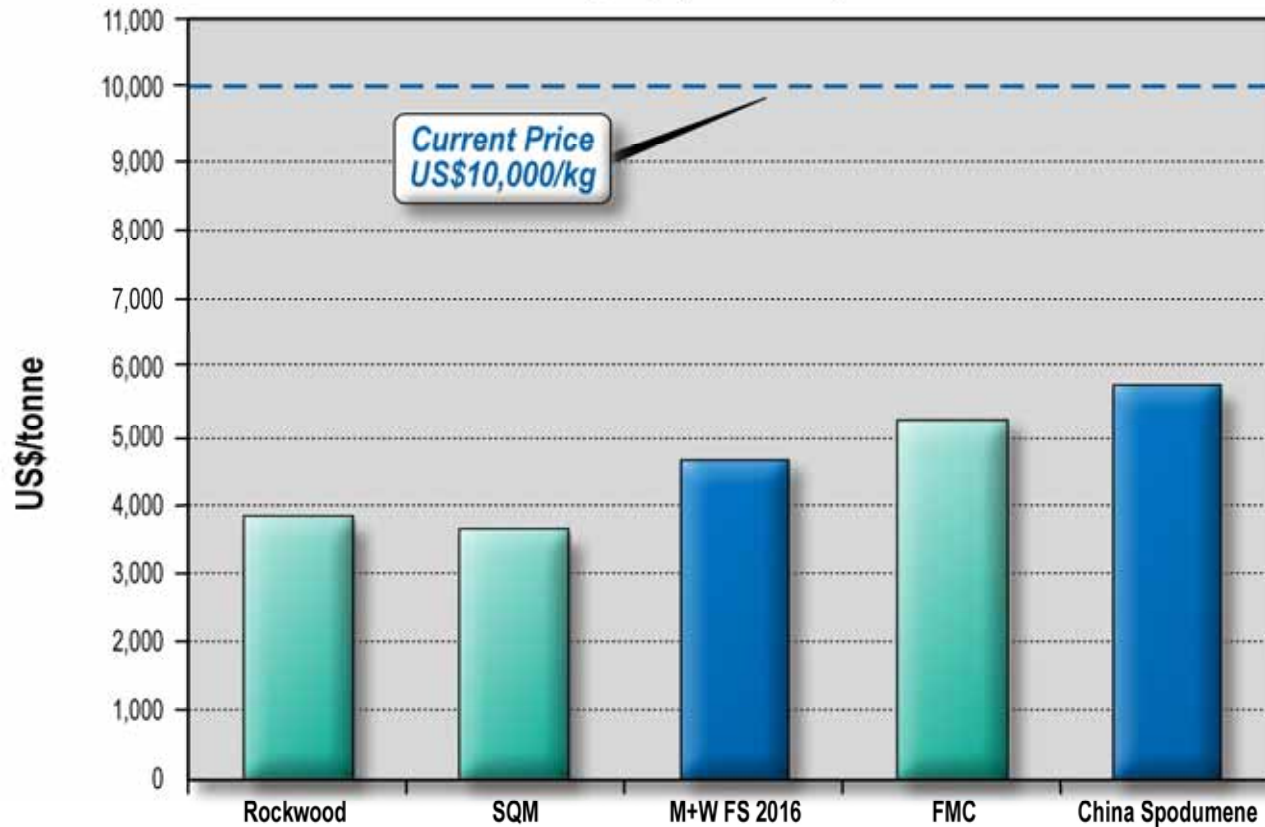
Neometals



Own low-cost Patented Technology



Lithium Industry Competitive Cost Position
2015 Cash Costs for Lithium Hydroxide
(US\$ per tonne)

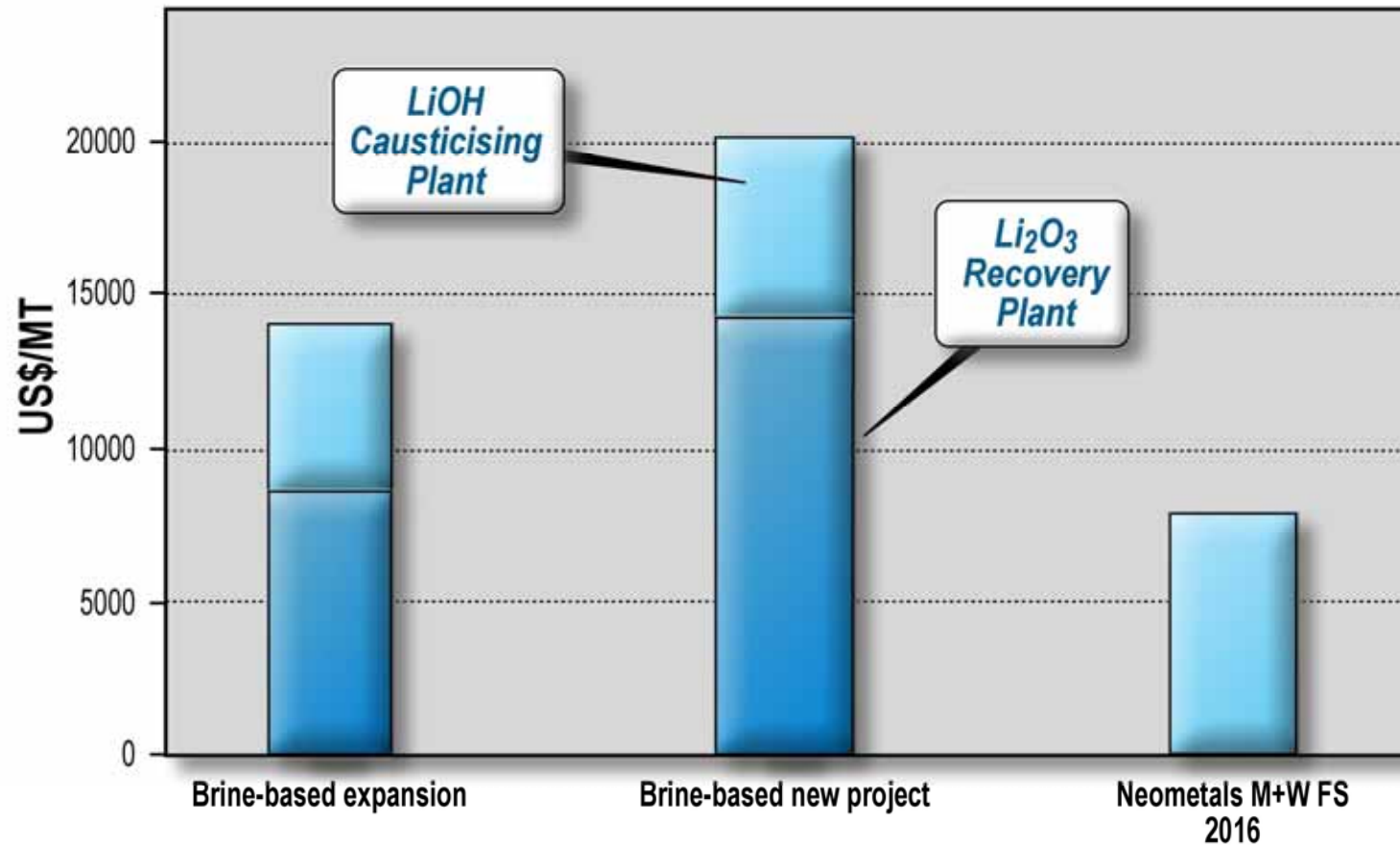


Source: Global Lithium LLC (costs), Industrial Minerals (price), Neometals Management (ELi cost)

Own low-cost Patented Technology



Capital Efficiency (US\$/production tonne LCE per annum)



Sources: FMC Corporate Presentation 2011, Neometals Management Analysis

Feasibility Study - Financial Metrics

	PFS	FS
Life of Plant (LOP)	20 years	20 years
Pre-production Capital cost	US\$ 83 million*	US\$ 158 million**
Average Annual Pre-tax Net Cashflow	US\$ 63 million	US\$ 82 million
Pre-tax Internal Rate of Return	94%	51%
Pre-tax NPV (12% real discount rate)	US\$ 321 million	US\$ 481 million
Payback of capital costs	2 years	2.6 years
Average Annual Production	10,000t LiOH 8,810t Li ₂ CO ₃	14,000t LiOH 5,6000t Li ₂ CO ₃
Average Cost per tonne of LiOH	US\$ 3,878/t	US\$ 4,630/t
Average Cost per tonne of Li ₂ CO ₃	US\$ 4,538/t	US\$ 5,345/t

(*) Capital costs valid at September 2012. Estimated to accuracy of $\pm 35\%$, Excluding EPCM and Contingency

** Capital costs valid at June 2016. Estimated to accuracy of $\pm 15\%$, **Including** EPCM and Contingency

Assumptions: 2012 Spodumene feedstock US\$350/t CIF (6% Li₂O); LiOH/Li₂CO₃ selling price US\$6,900/t CIF

2016 Spodumene feedstock US\$440/t CIF (6% Li₂O); LiOH/Li₂CO₃ selling price US\$11k/10k/t CIF respectively

Commercialisation Plan



(*) Subject to RAM Board Approval

Commercialisation Plan



(*) Subject to RAM Board Approval (**) Subject to FID



Barrambie Titanium Project

100% Neometals



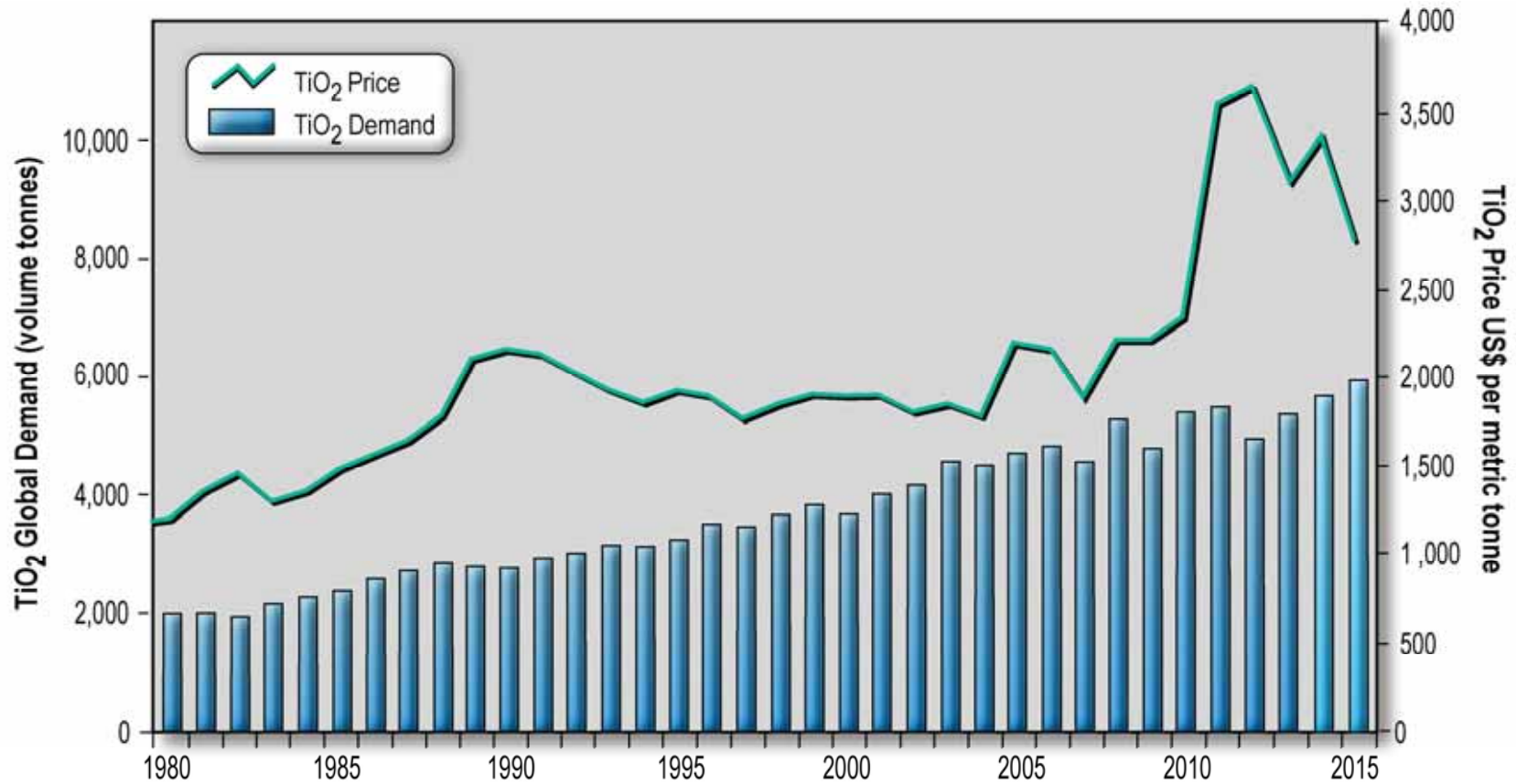
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Titanium Fundamentals



TiO₂ Demand vs Price

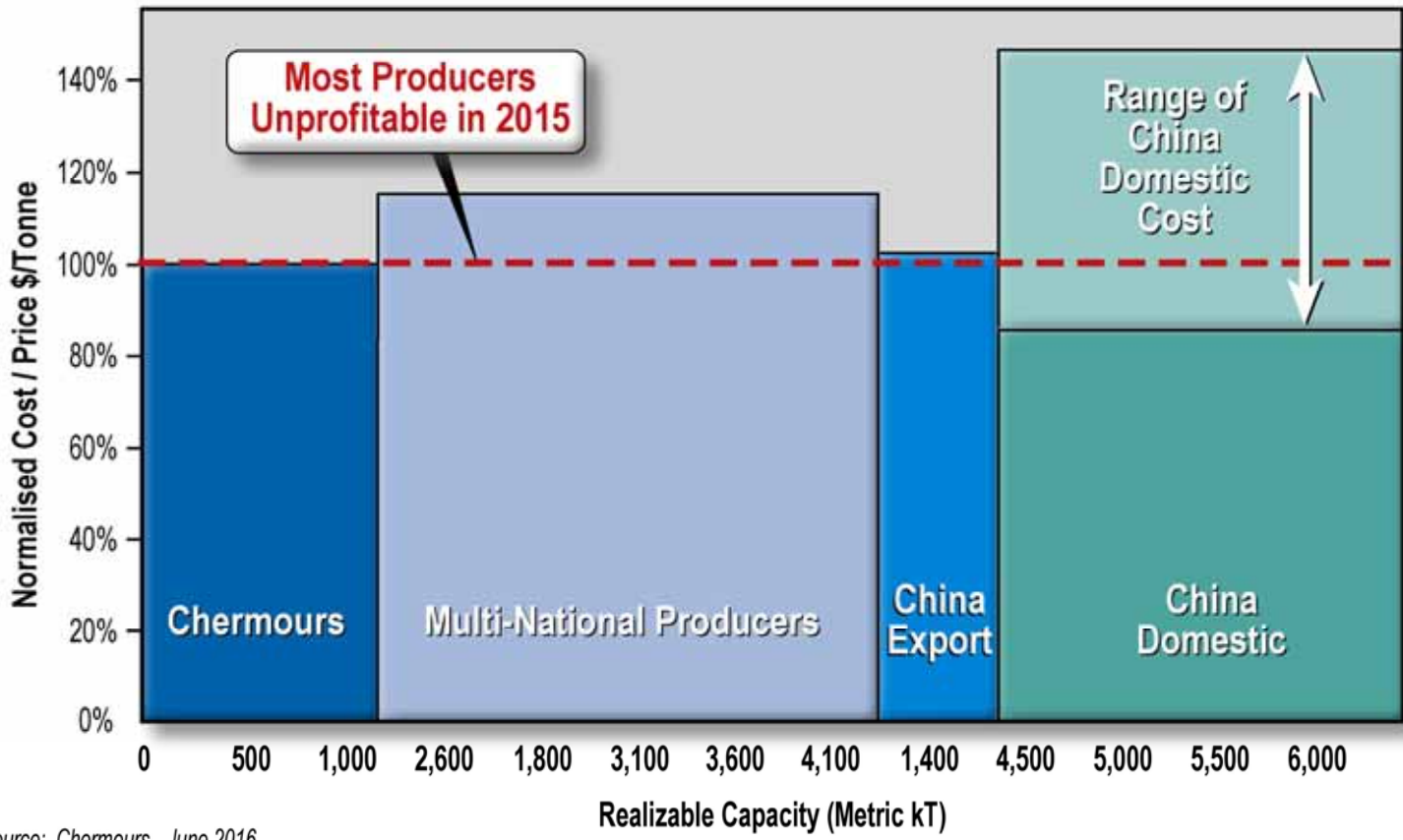


Source: US Geological Survey, Industrial Minerals and Huntsman

Titanium Fundamentals



TiO₂ Producer Profitability (2015)

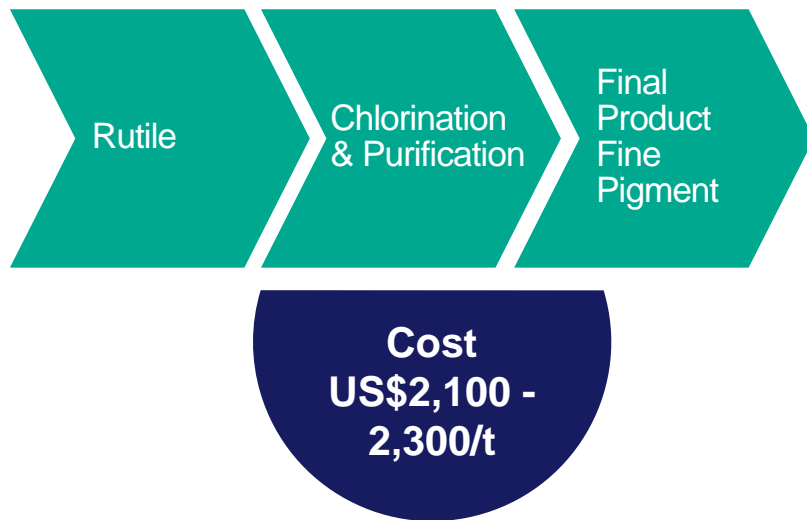


Source: Chermours - June 2016

Licensed low-cost Technology



Competitors



Neometals



- ✓ Mini-pilot scale testing in Canada – 2014/15
- ✓ High purity +99% TiO₂
- ✓ PFS Completed by Sedgman – August 2015

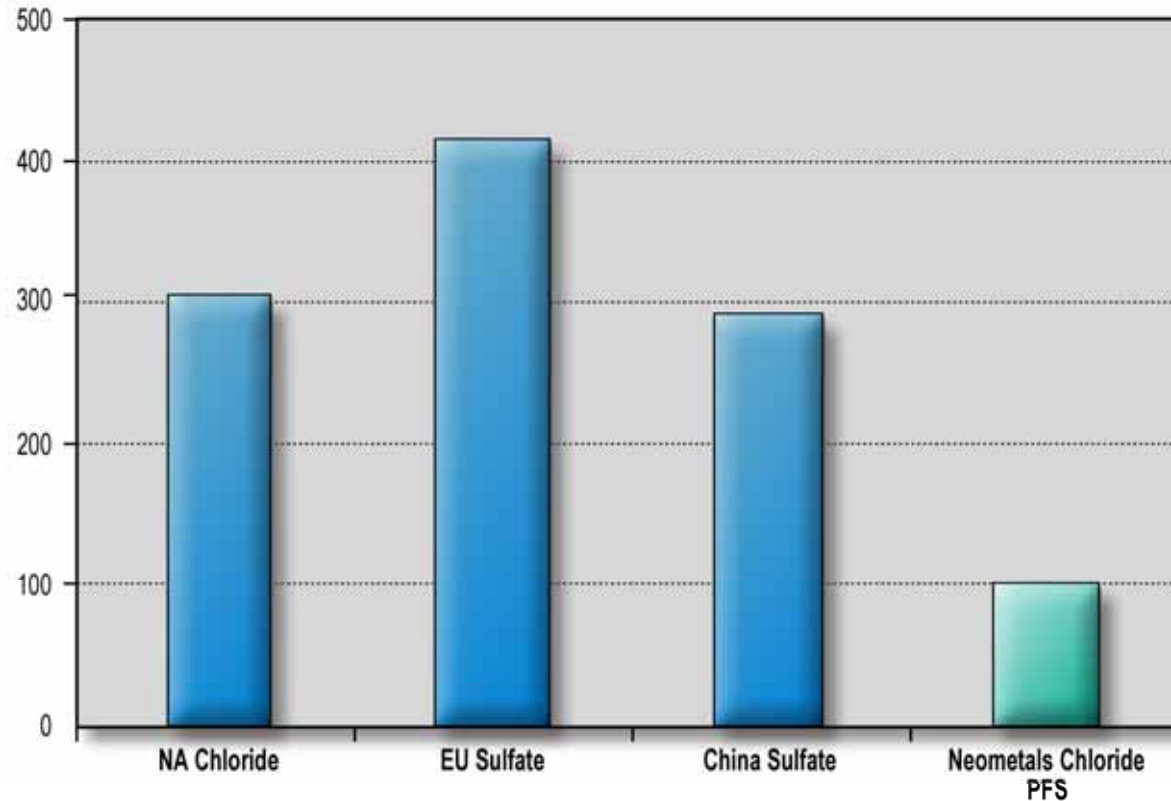
Neometals



Licensed low-cost Technology



Relative Standard-Plant Cash Operating Costs
(US\$ per tonne TiO₂ delivered basis)
Neometals PFS = Base 100



Disclaimer: The TZMI costs (NA, EU, China) are for standard plant models in each location. They are not specific costs, neither are they averages of the costs for a location. Q4 2014. TZMI information and Neometals scoping and pre-feasibility studies performed separately and may not be like-for-like analysis

High Quality Resource



1

+150Mt
@34% TiO₂
Lac Tio
RioTinto

2

47Mt @
22% TiO₂
Barrambie*


Neometals

3

18%
Tellnes
KRONOS*

* Mineral Resource Estimate (JORC2012) on page 29

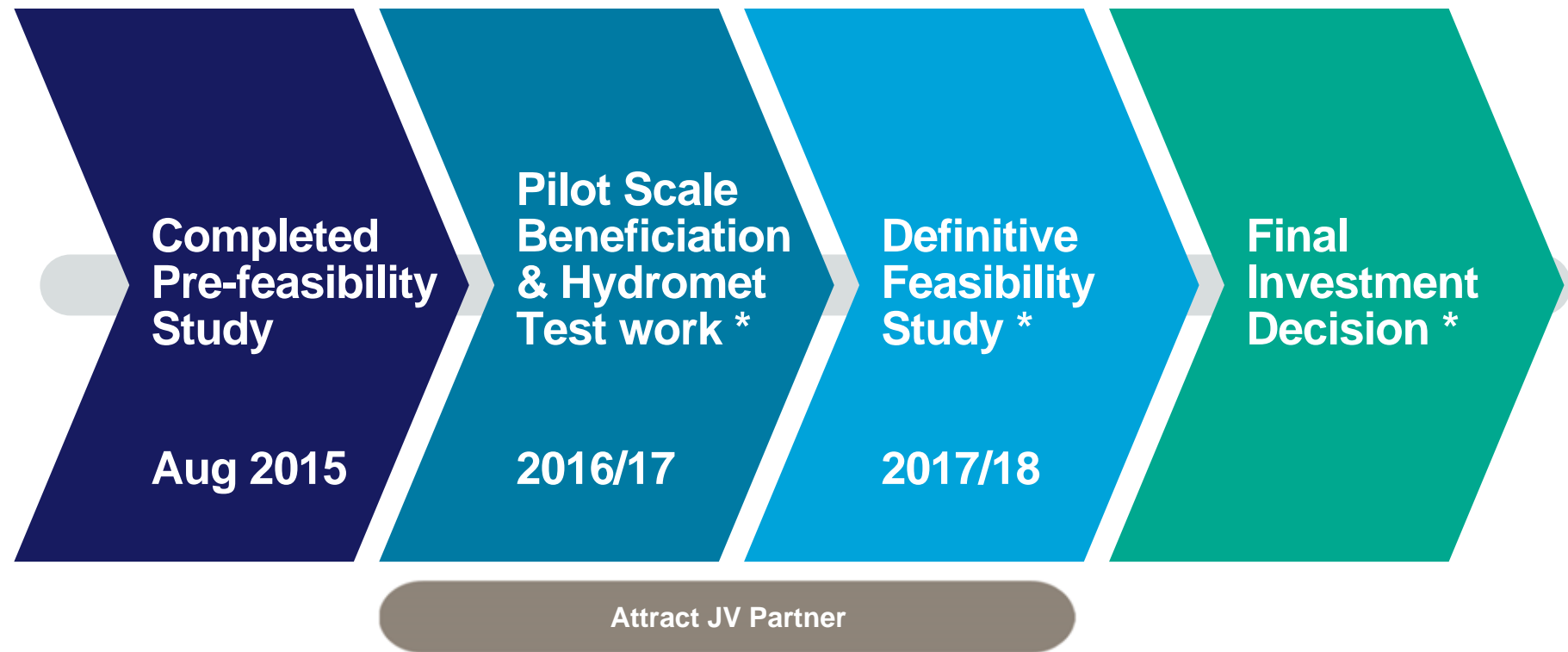
Pre-feasibility Study - Financial Metrics (*)

Life of Mine (LOM)	19.6 years
Pre-production Capital cost (excluding EPCM and Contingency)	A\$ 549 million
Average Annual Pre-tax Net Cashflow	A\$ 123 million
Pre-tax Internal Rate of Return	21%
Pre-tax NPV (12% real discount rate)	A\$ 355 million
Payback of capital costs	3.9 years
Average Annual Production	98,000t TiO ₂ 2,000t V ₂ O ₅ 234,000t Fe ₂ O ₃
Cash Operating Cost per tonne of paid TiO₂ net of co-product credit	US\$ 572/t

(*) Estimated to accuracy of $\pm 25\%$

Assumptions: US\$1,838/t TiO₂; US\$14,873/t V₂O₅, US\$520/t Fe₂O₃ Pigment, A\$/US\$0.75, Royalties (State/Technology) 10% Gross

Commercialisation Plan



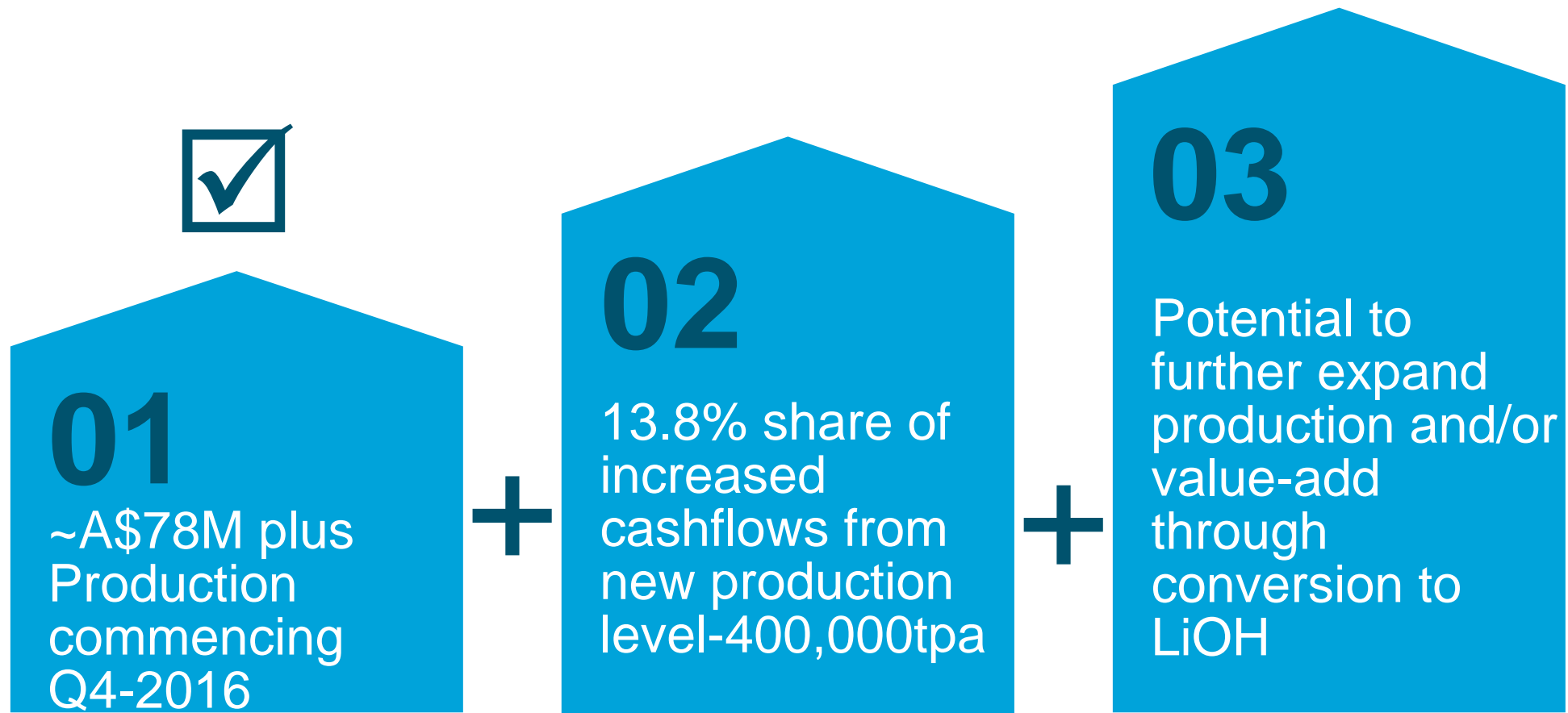
(*) Subject to Board Approval

Investment Proposition

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Lithium : Cash and cashflow



Titanium : A growth story for 2017



Neometals



Thank you

www.neometals.com.au

Mineral Resource Estimate

for the Mt Marion Lithium deposit, as at July 2016, for a block cut-off grade of 0.3% Li₂O

Classification	Deposit	Tonnes (Mt)	Li ₂ O %	Fe %
Indicated	Area 1,2,2W	18.5	1.38	1.09
	Area 4	0.9	1.24	1.03
	Area 6	7.0	1.22	1.09
Indicated Total		26.4	1.33	1.09
Inferred	Area 1,2,2W	29.4	1.42	1.04
	Area 4	1.4	1.19	1.29
	Area 5	1.0	1.32	1.71
	Area 6	2.3	1.19	1.25
	Inferred Total		34.1	1.39
Grand Total		60.5	1.36	1.09

Mineral Resource Estimate

for the Barrambie Ti-V deposit, as at September 2015, for a block cut-off grade of 15% TiO₂

Classification	Zone	Oxidation	MTonnes	Density (t/m ³)	TiO ₂ (%)	V ₂ O ₅ (%)	Fe ₂ O ₃ (%)	Al ₂ O ₃ (%)	SiO ₂ (%)
Indicated	Eastern	Oxide	18.7	2.82	23.29	0.59	42.93	10.70	16.36
		Transition	8.7	3.52	23.11	0.61	50.80	7.34	12.99
		Fresh	2.4	3.85	21.77	0.56	52.90	5.99	12.84
		Sub-total	29.8	3.10	23.11	0.60	46.02	9.35	15.10
	Central	Oxide	3.5	2.95	16.84	0.92	49.82	11.06	14.91
		Transition	1.3	3.50	17.39	0.89	54.76	8.49	12.15
		Fresh	0.1	4.04	15.59	0.88	59.93	7.22	10.96
		Sub-total	4.9	3.12	16.95	0.91	51.40	10.28	14.08
		Total	34.7	3.11	22.25	0.64	46.77	9.48	14.95
		Total	47.2	3.18	22.18	0.63	46.70	9.44	15.07
Inferred	Eastern	Oxide	2.6	2.71	20.88	0.48	40.00	12.20	19.42
		Transition	3.3	3.29	23.04	0.59	47.51	8.62	14.45
		Fresh	5.5	3.71	22.82	0.57	47.50	8.39	14.57
		Sub-total	11.4	3.36	22.44	0.55	45.78	9.33	15.65
	Central	Oxide	0.1	3.07	16.64	0.98	53.63	9.96	13.33
		Transition	0.4	3.47	18.36	0.86	54.15	8.79	12.43
		Fresh	0.7	3.86	17.30	0.91	53.48	9.44	13.17
		Sub-total	1.2	3.64	17.55	0.90	53.71	9.30	12.96
		Total	12.5	3.38	21.99	0.58	46.51	9.32	15.40
		Total	47.2	3.18	22.18	0.63	46.70	9.44	15.07
		Grand Total	47.2	3.18	22.18	0.63	46.70	9.44	15.07

Neometals

