



Neometals

Investor Presentation

ASX Code: NMT

September 2016

Disclaimer

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

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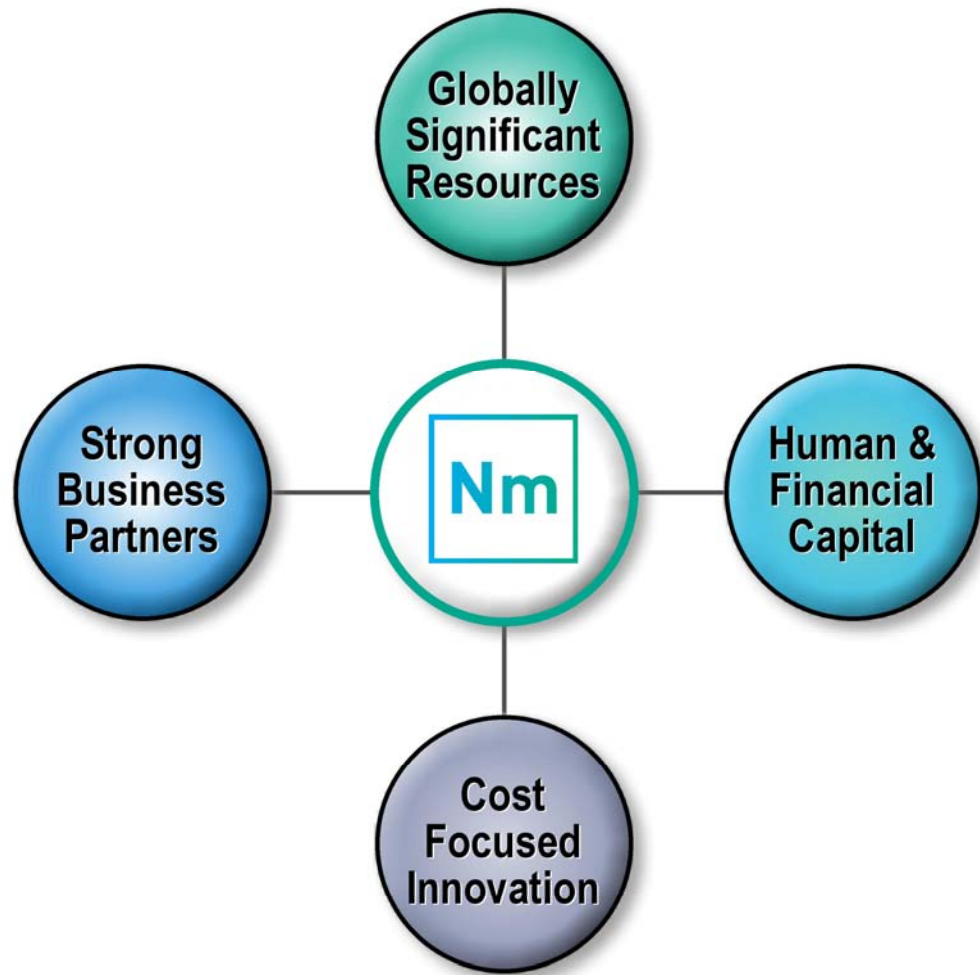
Competent Persons Statement:

The information in this document that relates to, “Barrambie Mineral Resource Estimates”, “Barrambie Pre Feasibility Study Results”, “Mt Marion Mineral Resource Estimates” and “ELi Lithium Downstream Feasibility 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 ELi Lithium Downstream 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
2 cent unfranked div – Aug '16

Corporate Details

ASX CODE: NMT

OTC:RDRUY

Last close (23-Sep-2016)	A\$	0.335
Shares on issue	m	563
Market capitalisation	A\$m	189
Net Cash (30-June-2016)	A\$m	79.2*
Enterprise value	A\$m	110

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.

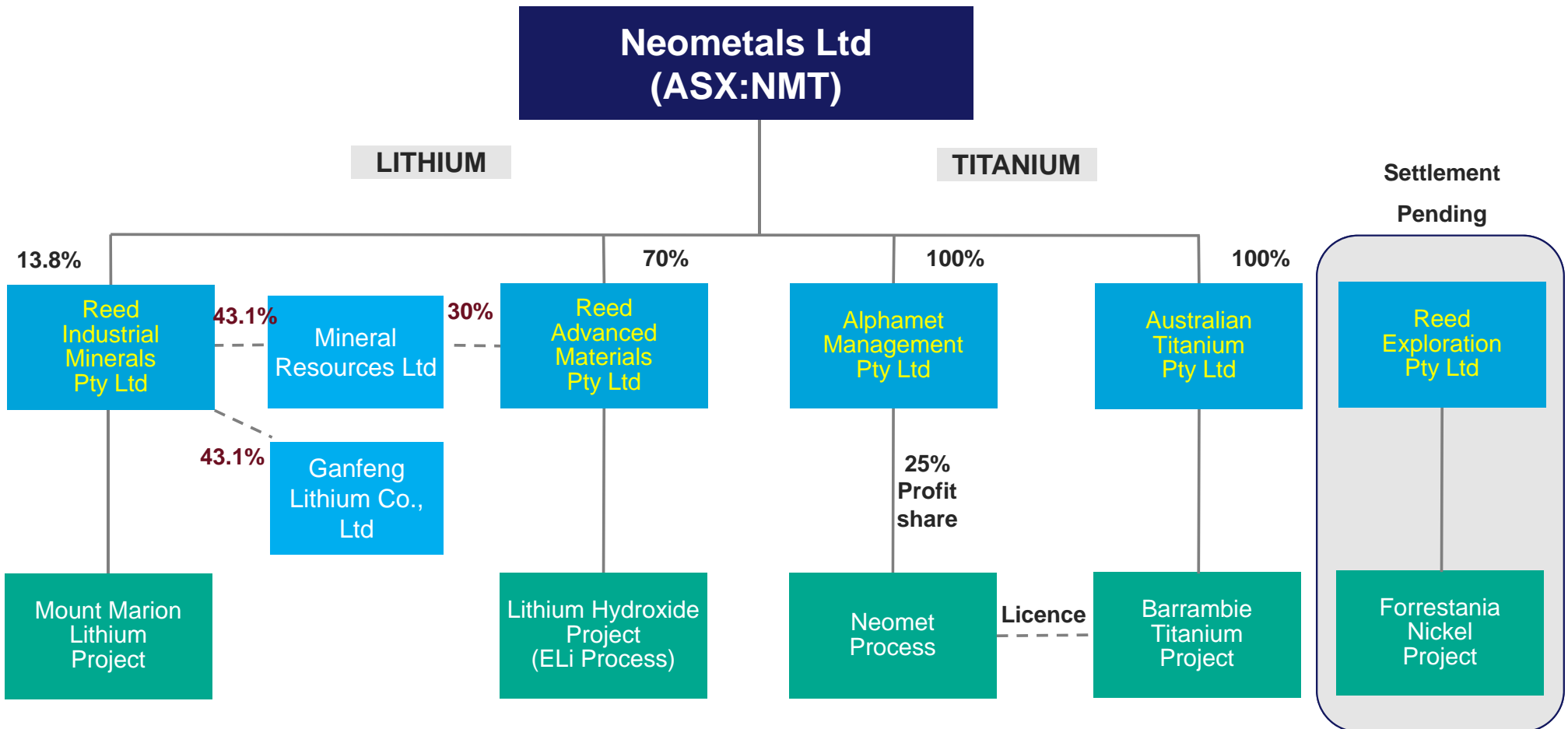
12 MONTH SHARE PRICE



MAJOR SHAREHOLDERS

David Reed	11.7%
Melaid Holding Inc	6.8%
Top 20 (22-Sept-2016)	39%

Operating structure



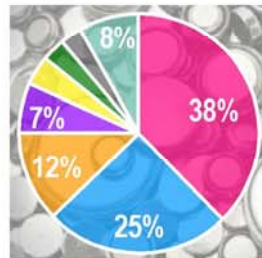
All the right elements



Demand Fundamentals

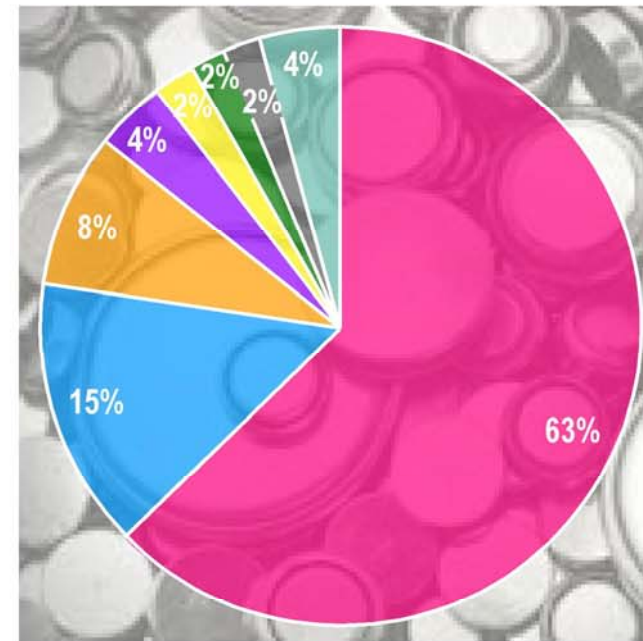


Lithium Demand by Application - 2014
(200,000t of LCE)



- 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

Neometals

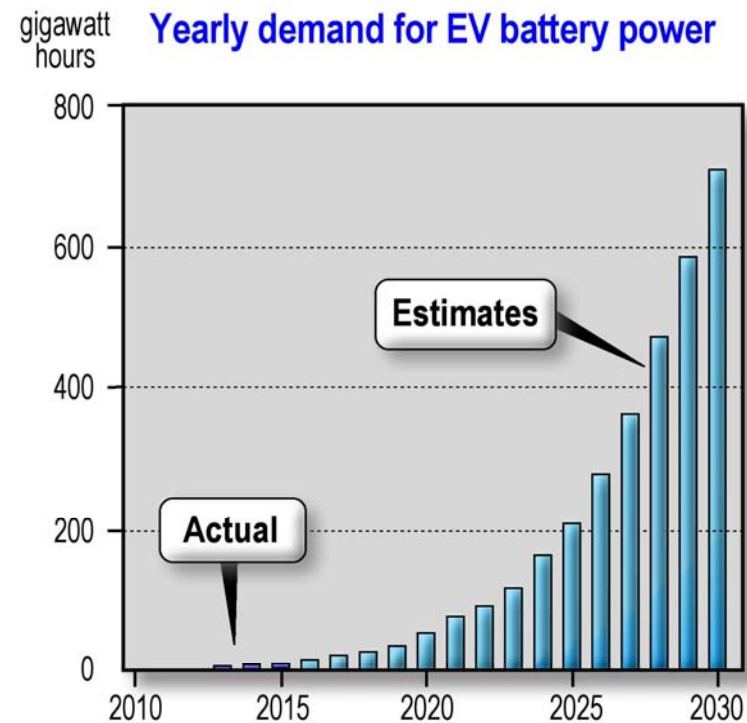
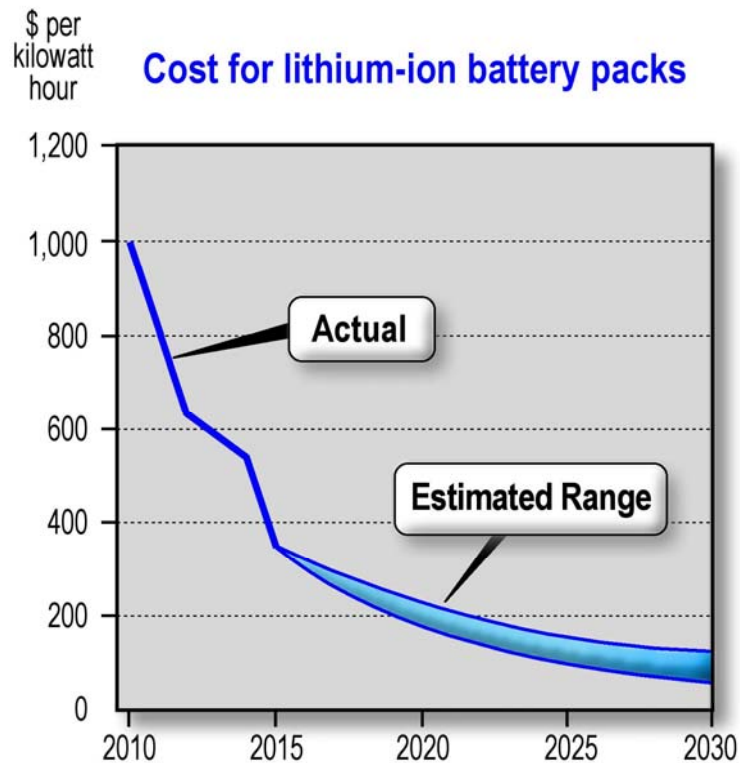


Demand Growth - Electric Vehicles



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.



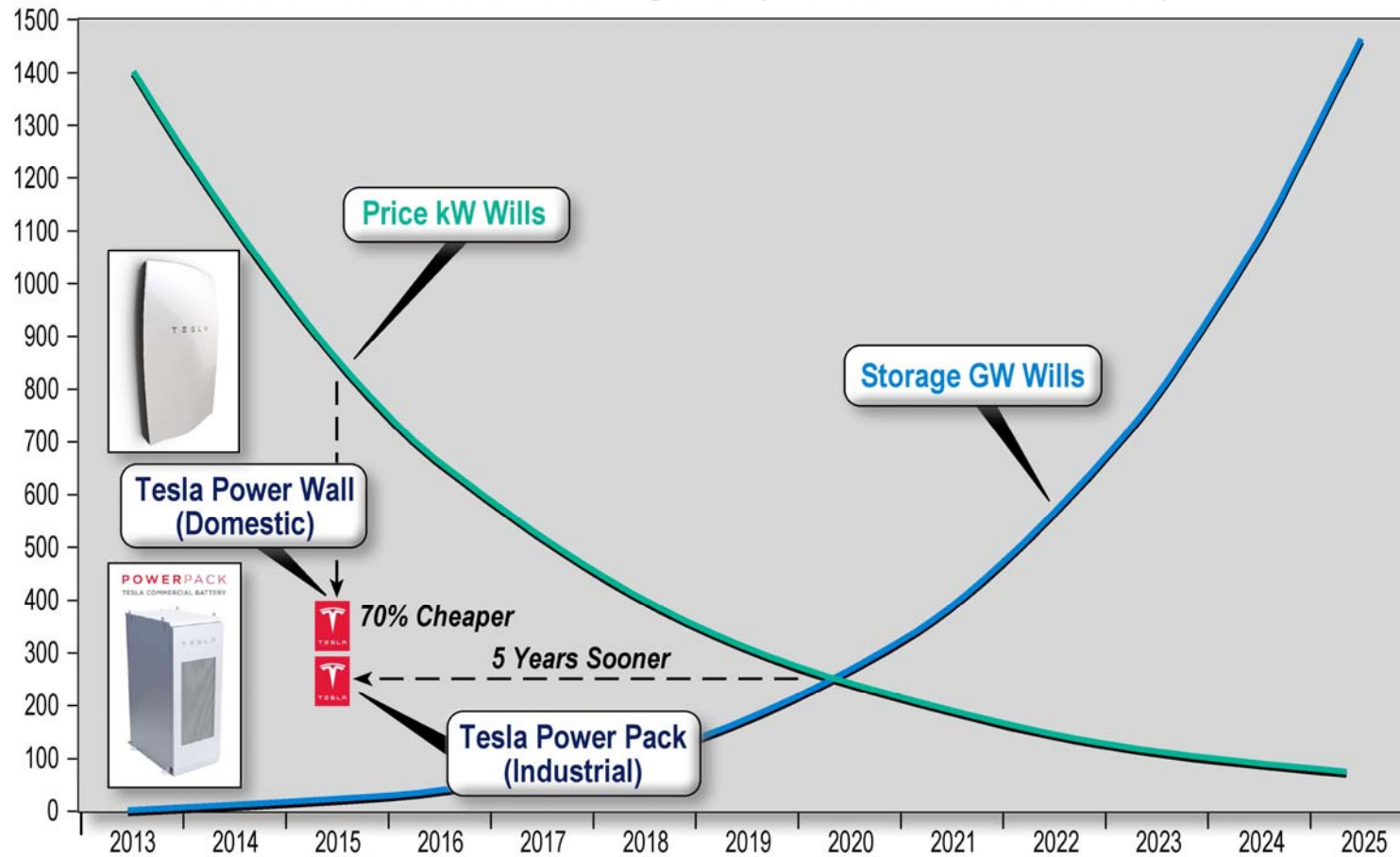
Source: Data compiled by Bloomberg New Energy Finance

Demand Growth – Stationary Storage



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

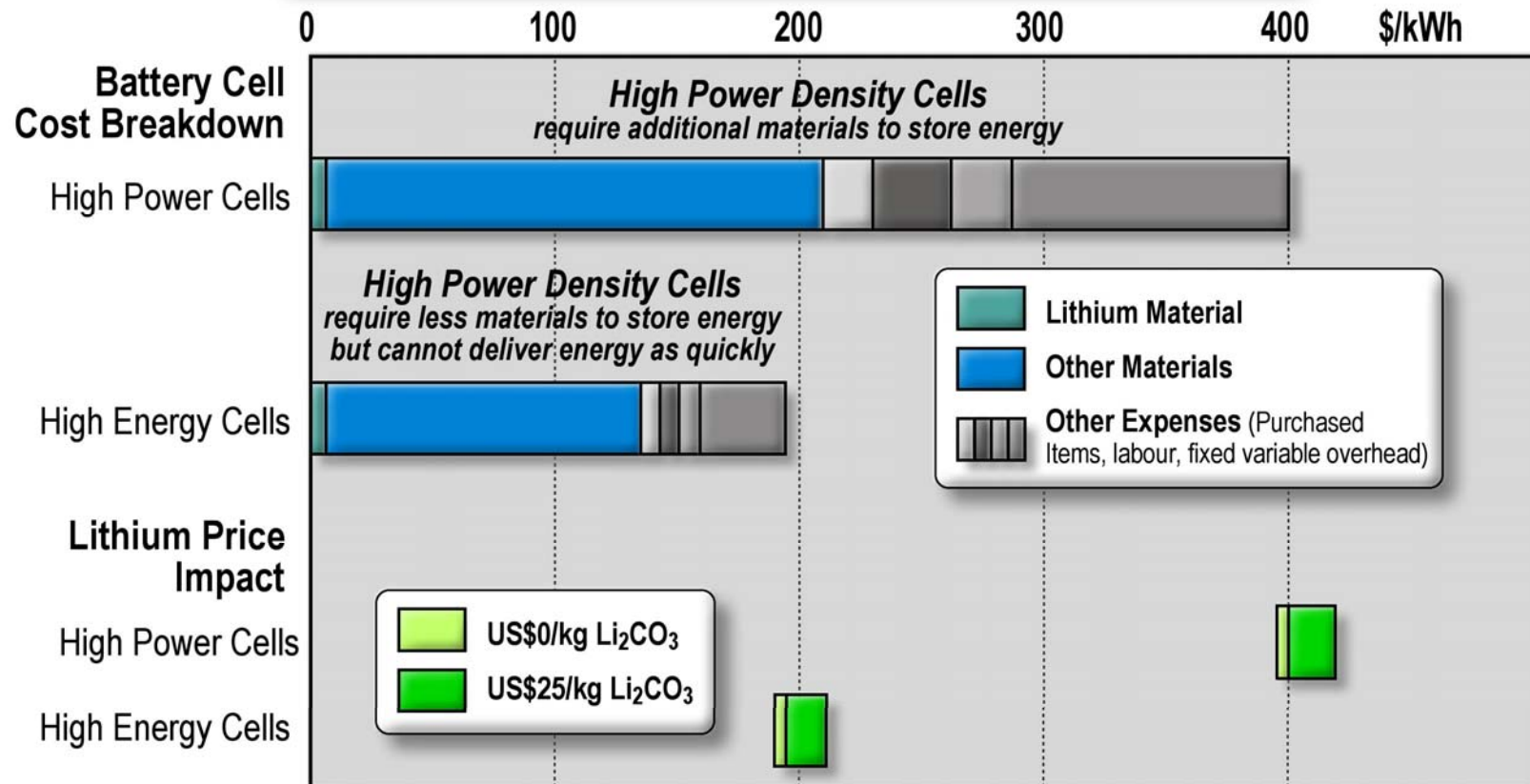
2013 / 2014 market data 2015 on @ProfRayWills forecast Update 7 May 2015



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 – Elastic



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

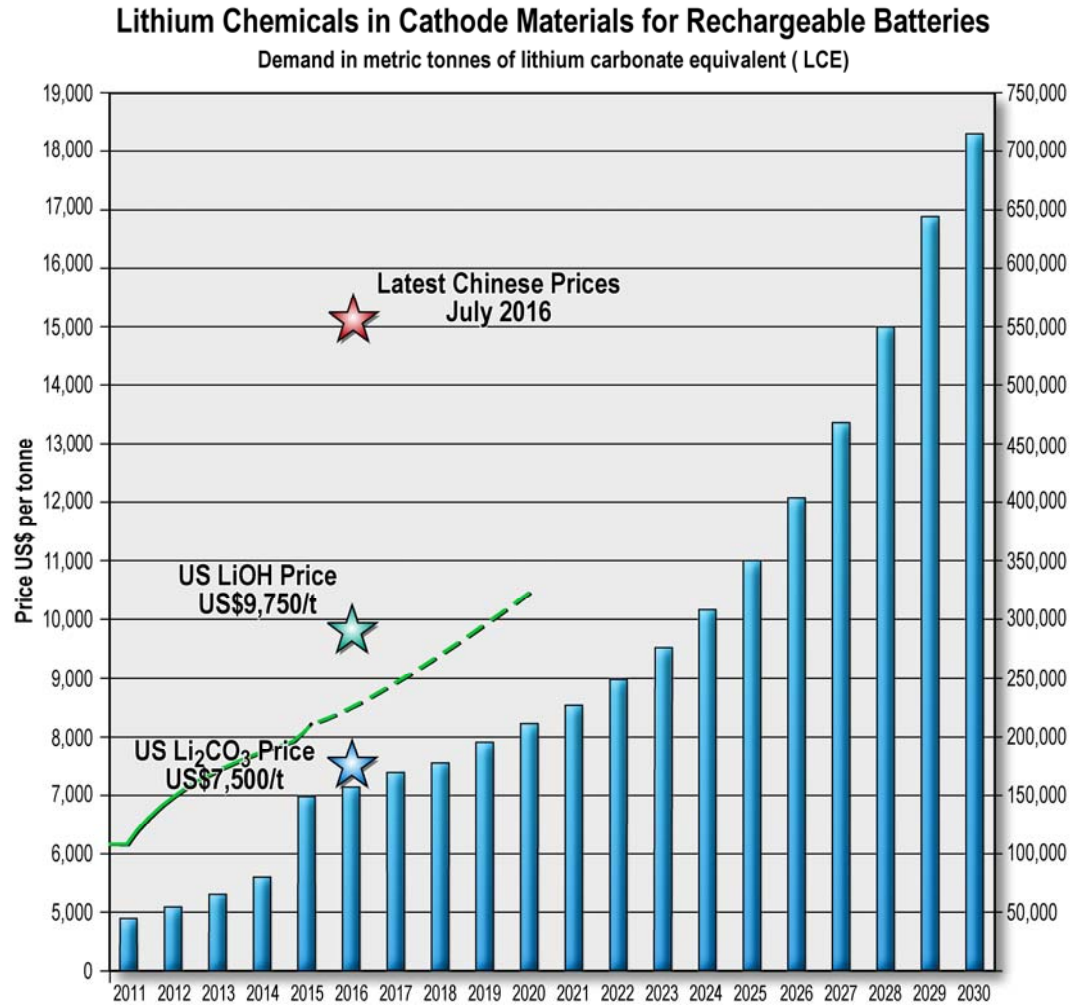


- ✓ Oligopoly – 3 brine and 2 hard rock converters (incl Ganfeng) control +80% world production.
- ✓ SQM, ALB, FMC, Tianqi, Ganfeng all increasing supply
- ✓ Brines have larger Capex/longer lead times than hard rock

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Strong demand – constrained supply

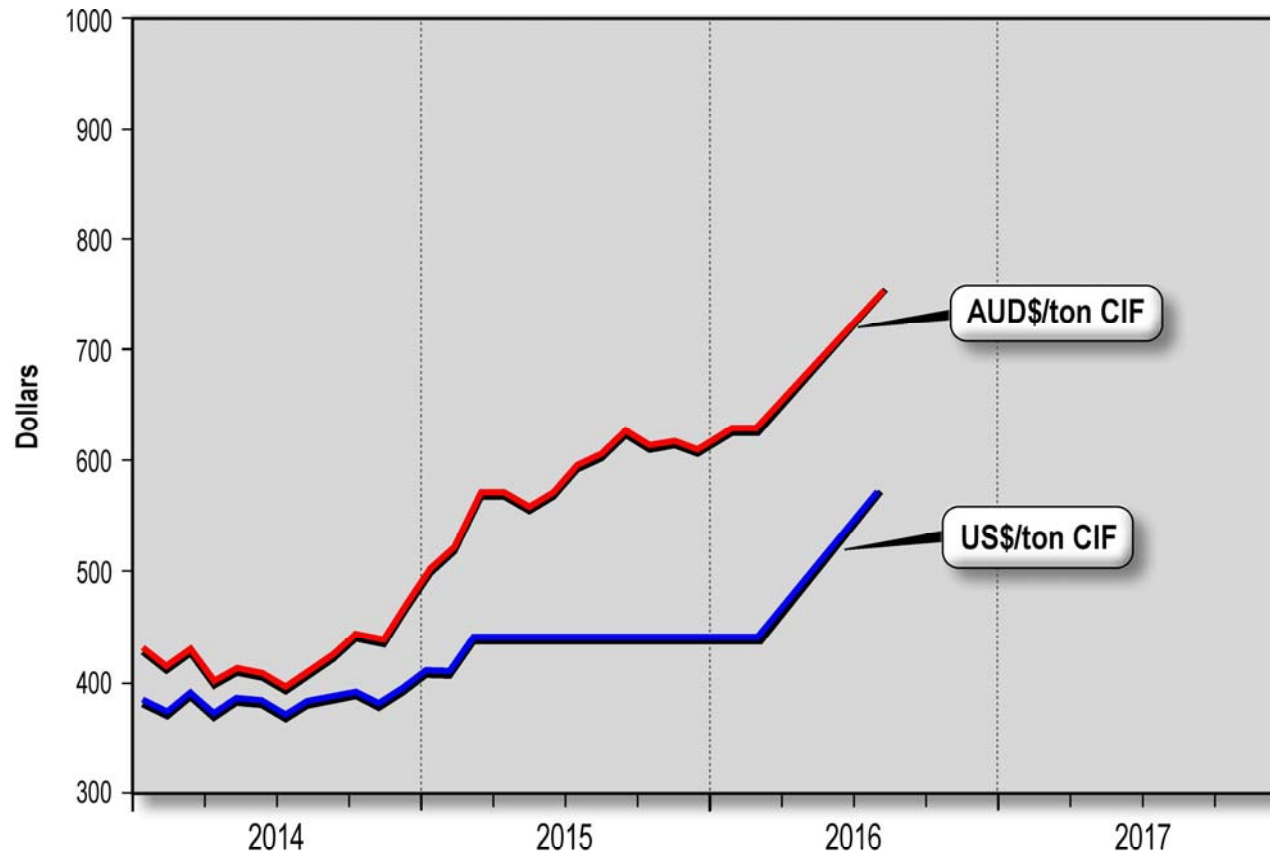


LiOH: Lithium hydroxide, Li₂CO₃: Lithium carbonate. Demand: Forecast Source: signumBOX Price: Industrial Minerals 21 July 2016

Lithium Concentrate Prices



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

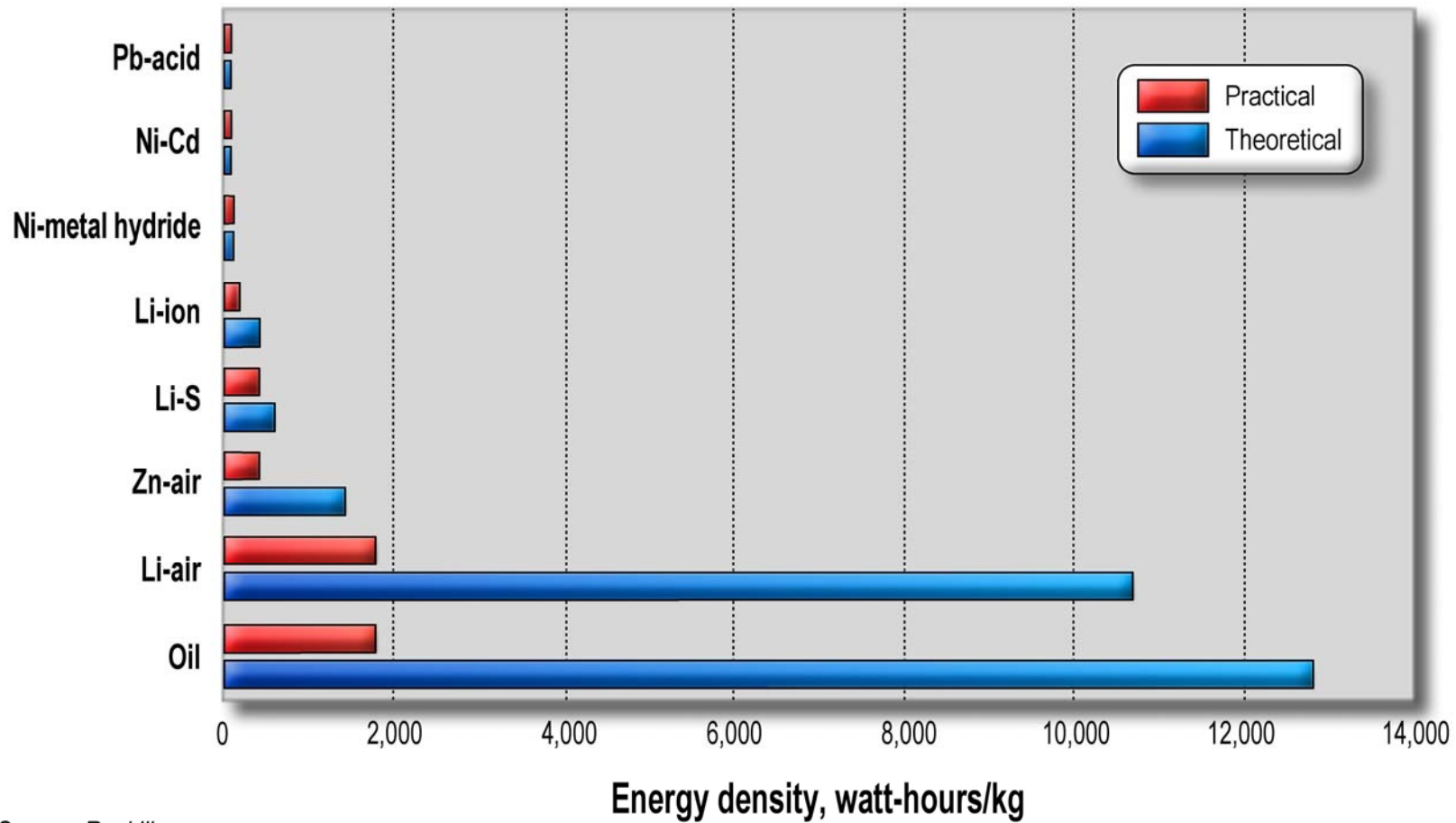


Source: SignumBOX, Global Trade Information Services and Neometals Management

LT Demand Fundamentals



Lithium is the only real alternative to oil



Source: Roskill

Neometals



Li

Mt Marion Lithium Project

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



Neometals



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 (~50ktpa LCE)
- ✓ Fixed rate mining and processing costs

Neometals



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.

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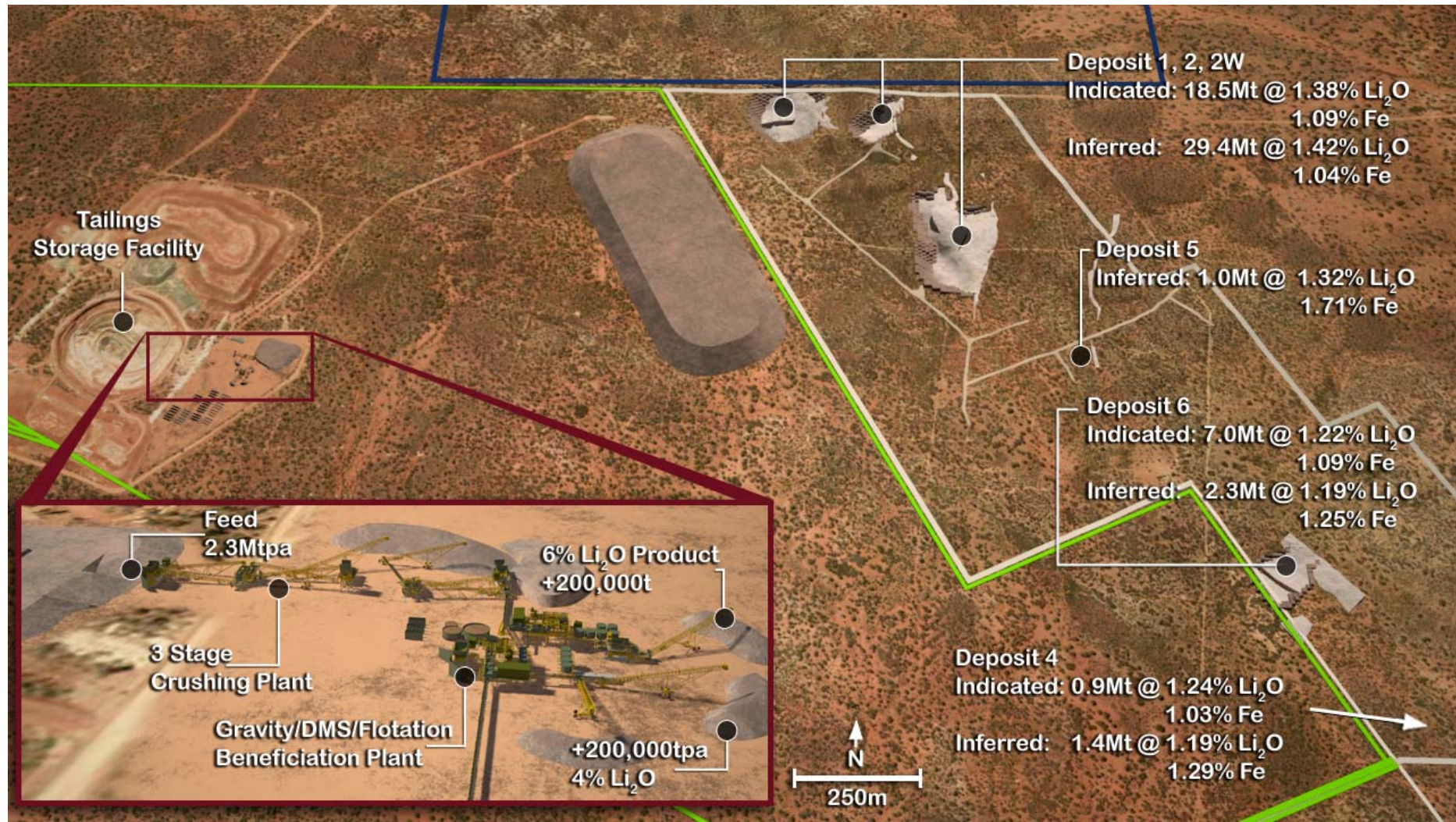


Flythrough

Li



Site layout



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Mining - Deposit 1



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Crushing & Screening - Fully Commissioned



Neometals



Beneficiation – Coarse Circuit complete



- ✓ Site works commenced Nov'15
- ✓ World's largest hard rock concentrator built from scratch in <12 months despite +40 days lost to rain.



26 August



31 July

Neometals



Beneficiation – Commissioning commenced



12 September



First feed- 28 September

Project milestones



Mt Marion Resource – July '16

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

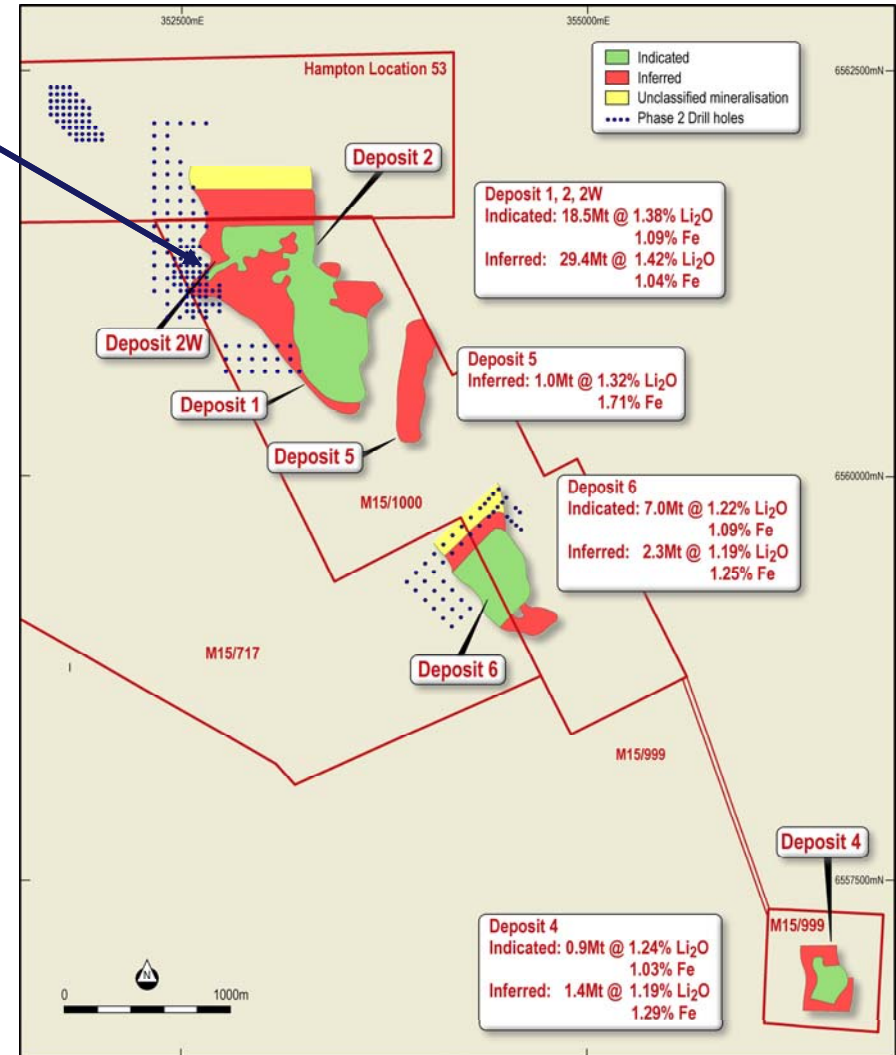
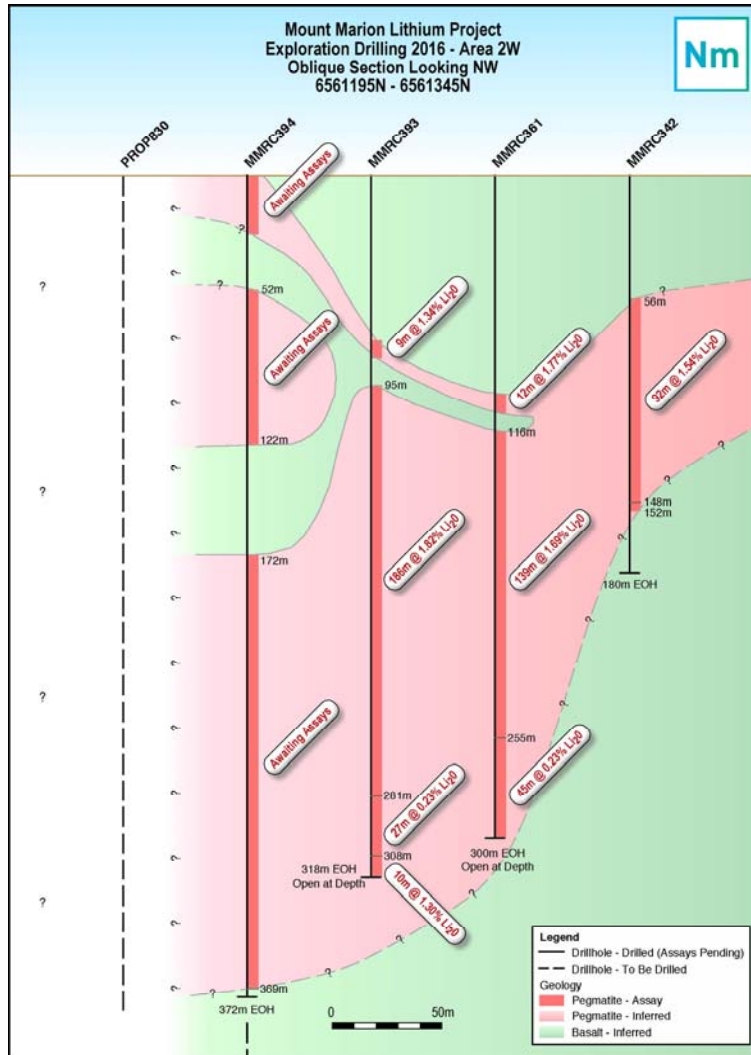


Figure may not sum due to rounding
Significant figures do not imply an added level of precision

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



Downstream processing

Lithium Hydroxide (LiOH)

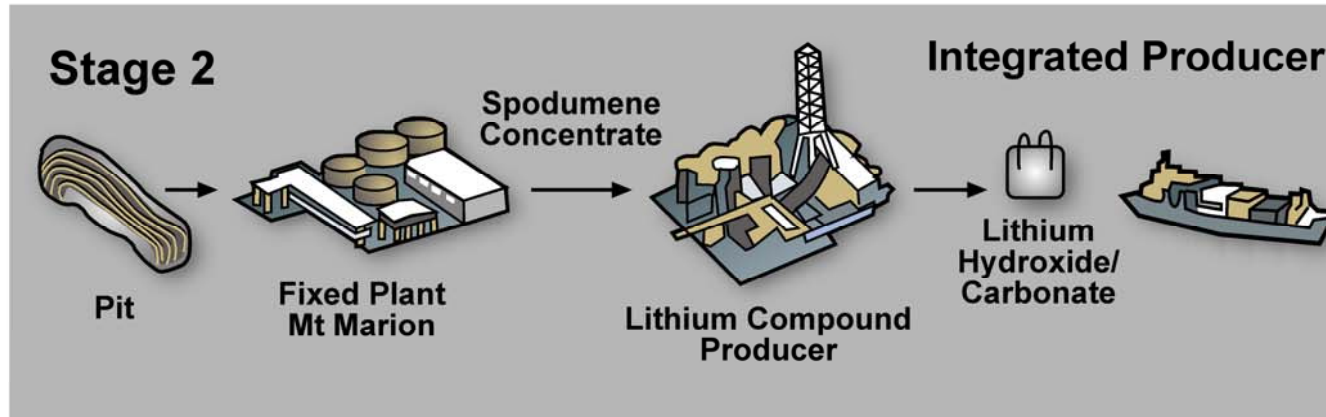
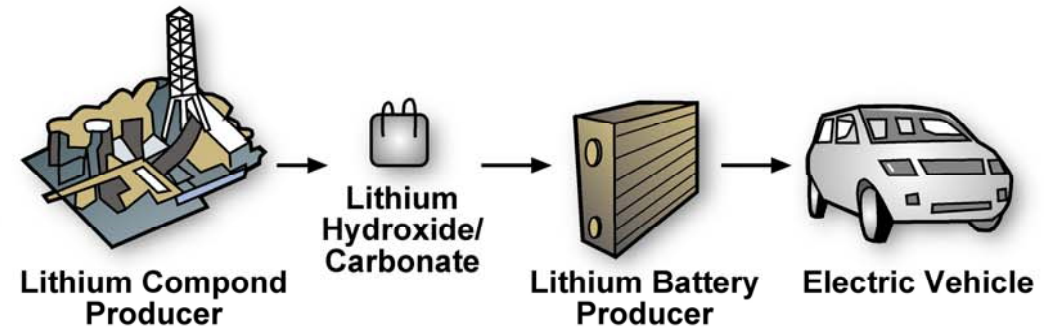
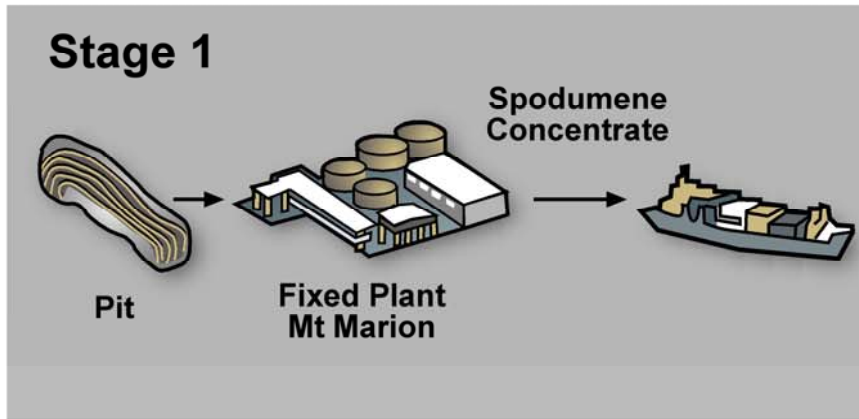
70% Neometals Ltd

30% Mineral Resources Ltd

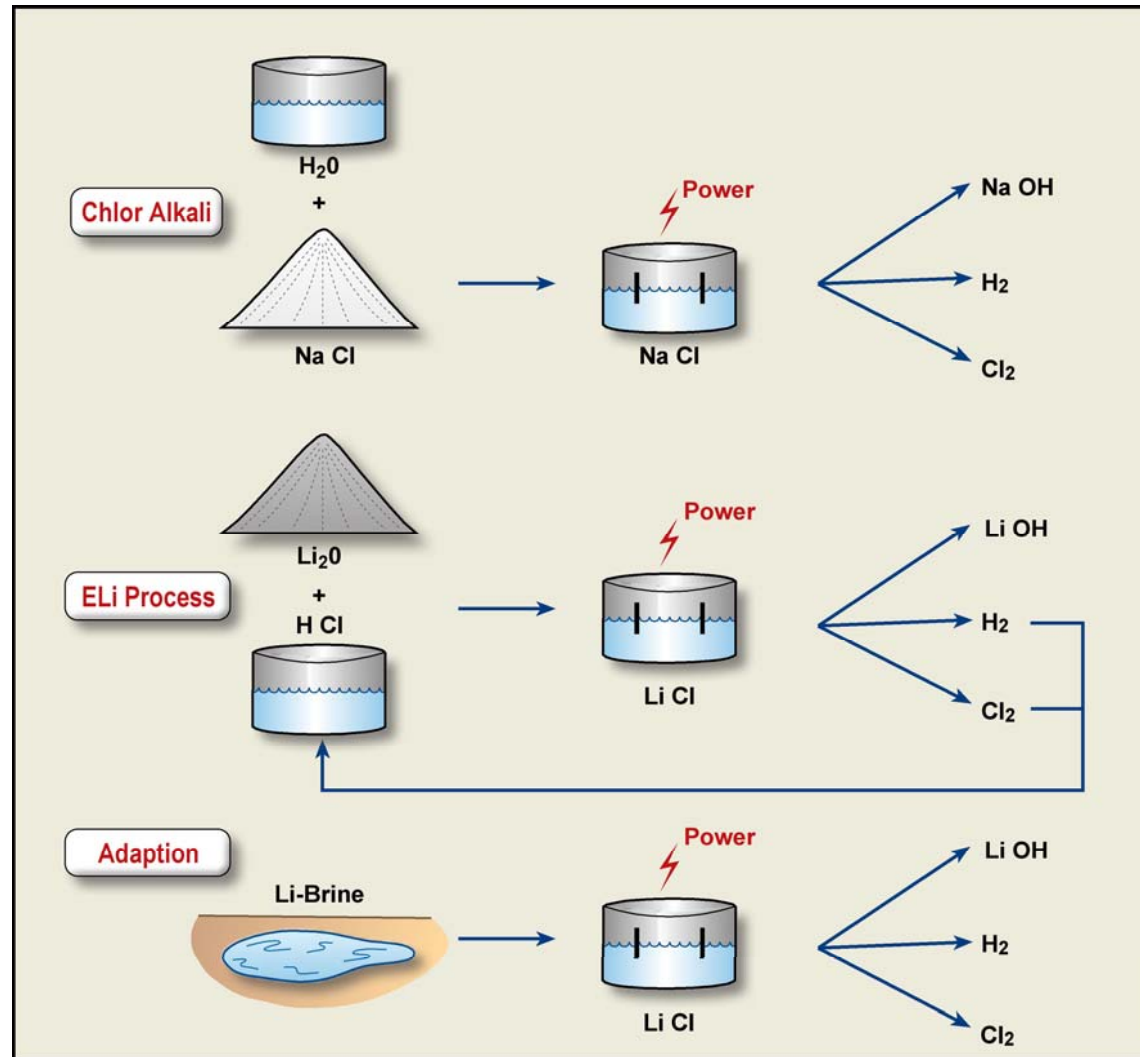
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Strategy



Own low-cost Patented Technology



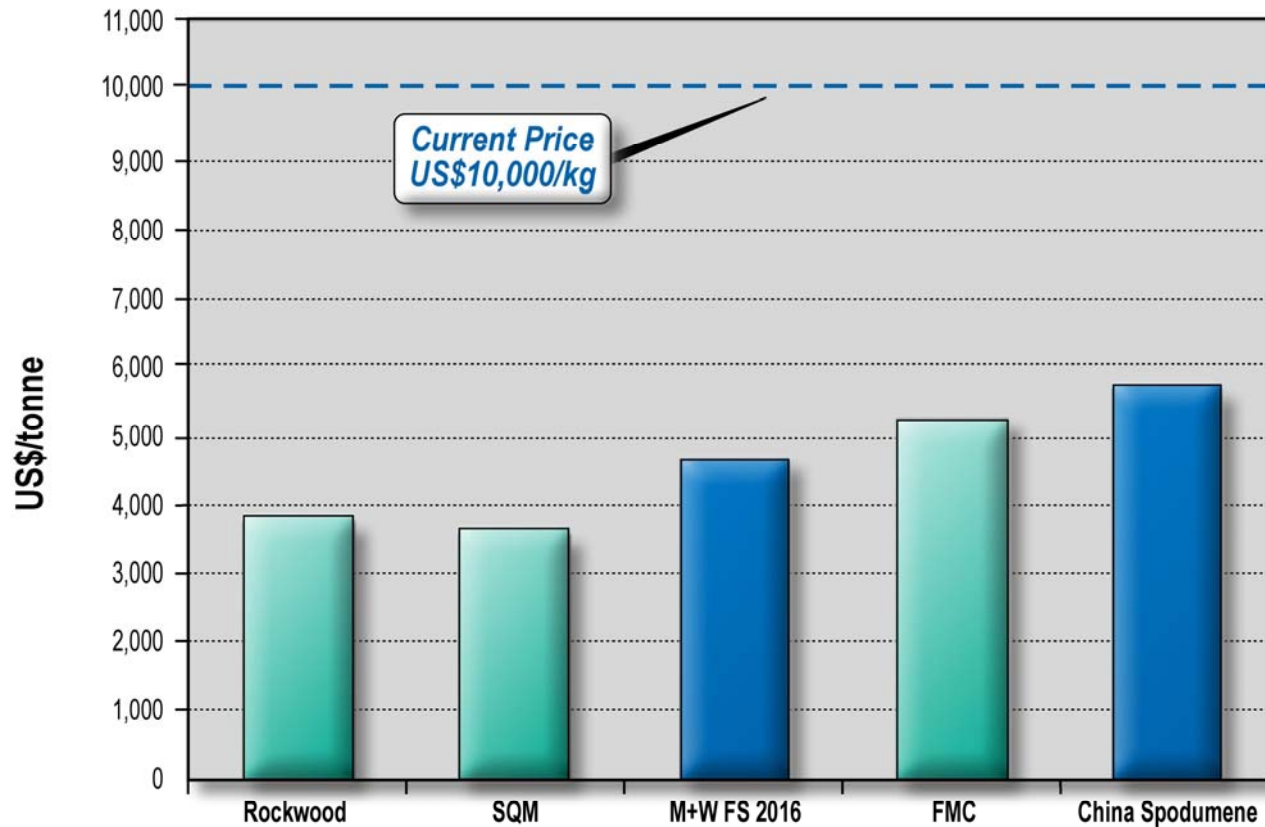
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Own low-cost Patented Technology



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

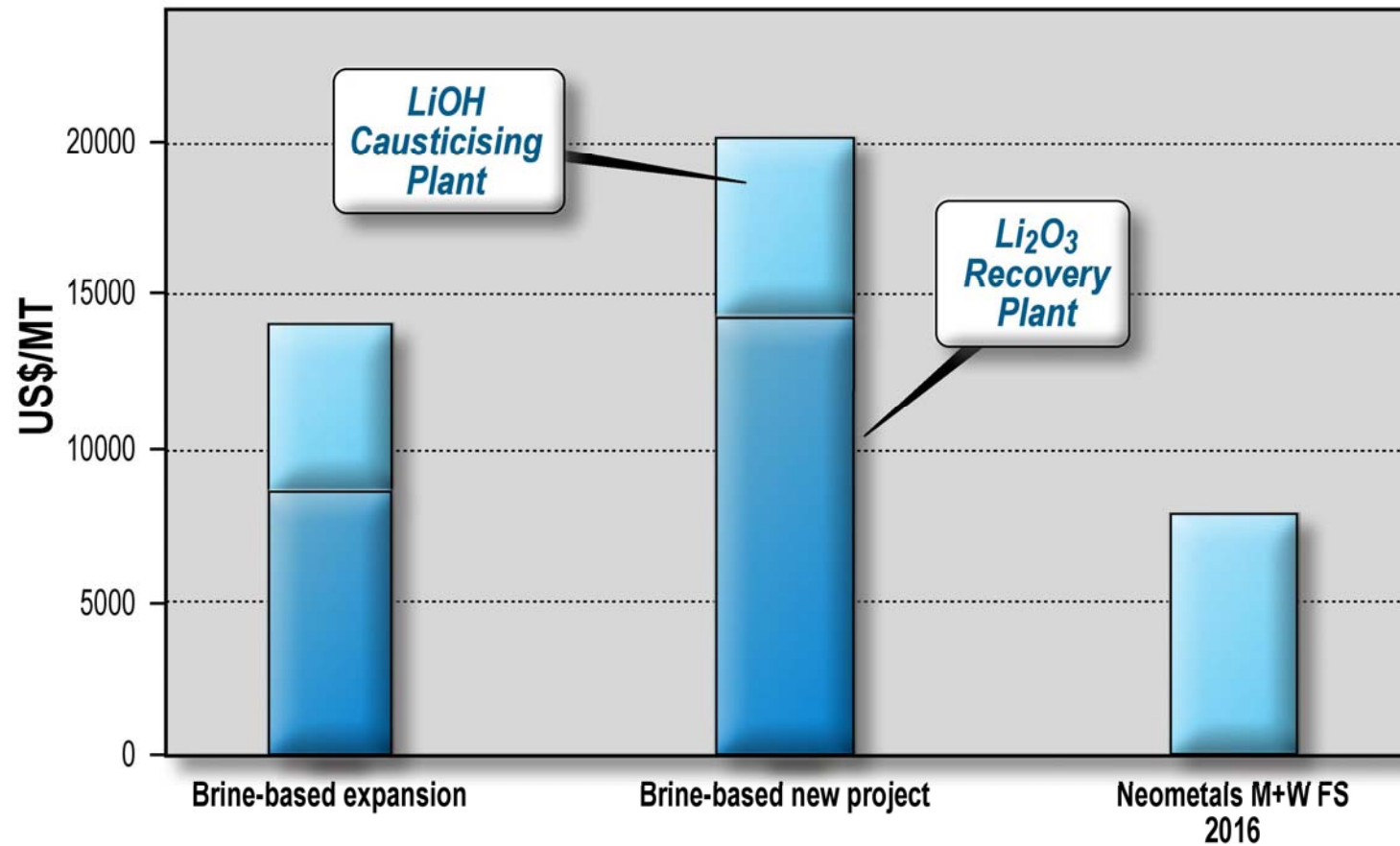


Source: Global Lithium LLC (costs), Industrial Minerals (price), Neometals Management (ELi cost)

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

FS

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

** Capital costs valid at June 2016. Estimated to accuracy of $\pm 15\%$, **Including** EPCM and Contingency
Assumptions: 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 (**) Subject to FID

Ti

Barrambie Titanium Project

100% Neometals



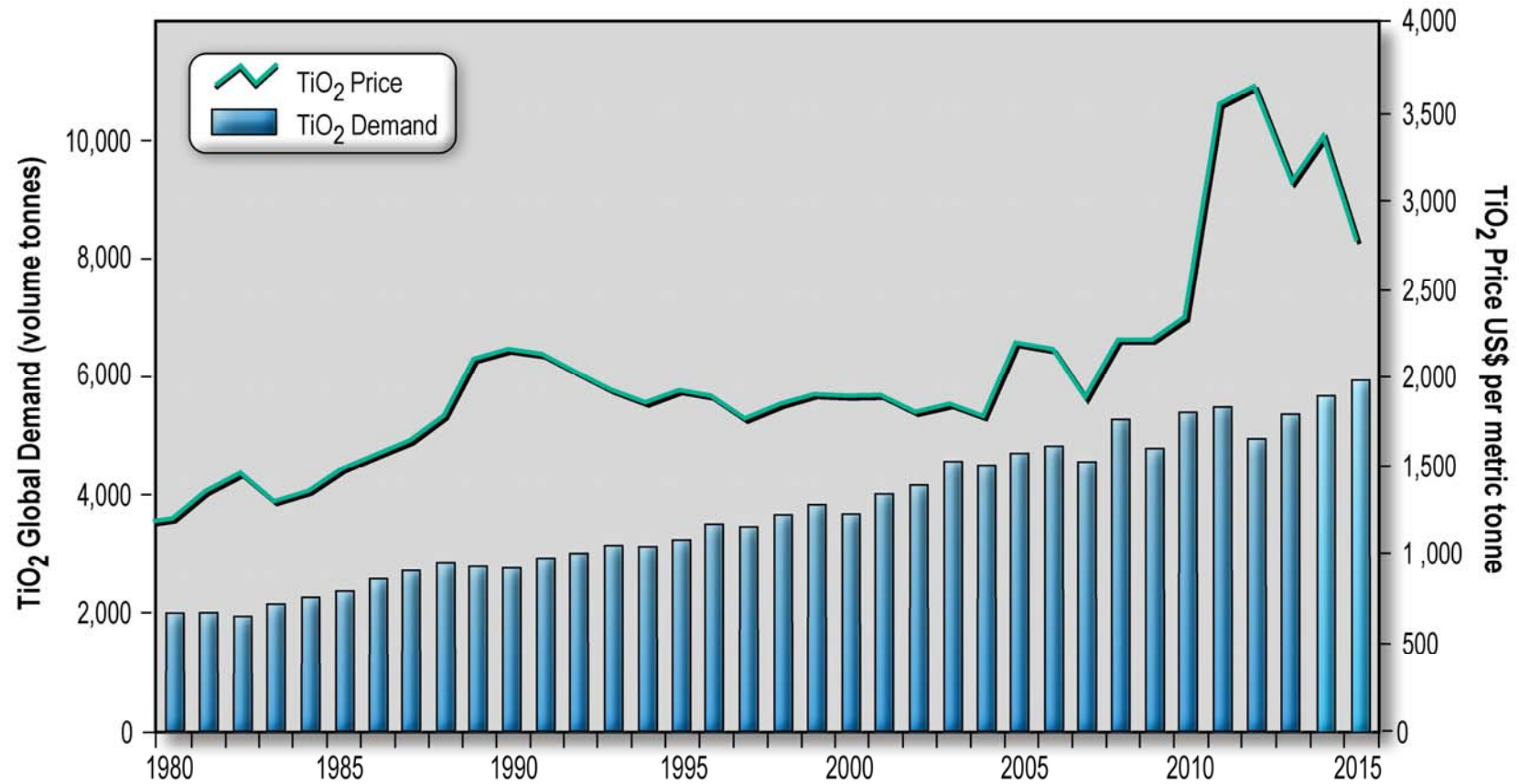
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Titanium Fundamentals



TiO₂ Demand vs Price

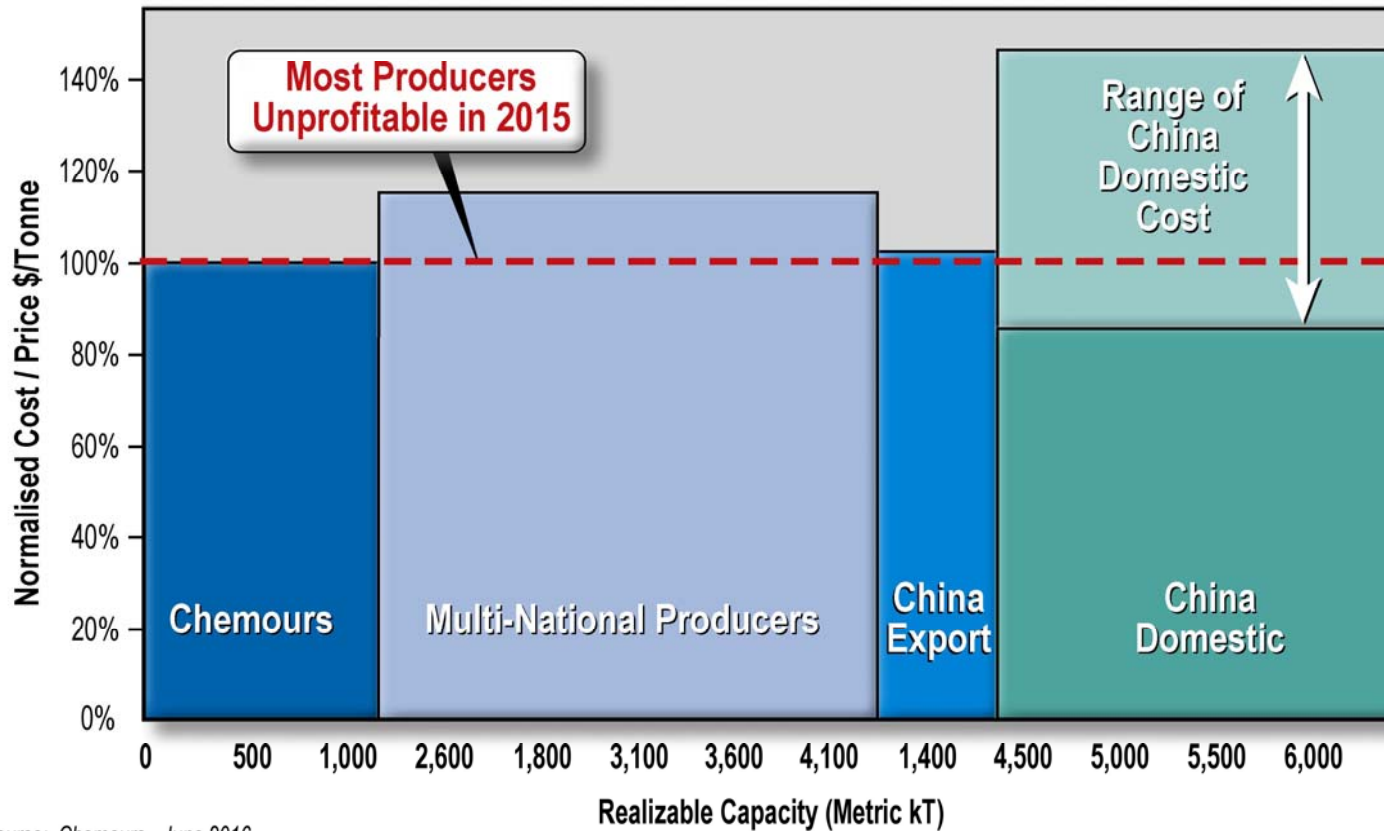


Source: US Geological Survey, Industrial Minerals and Huntsman

Titanium Fundamentals



TiO₂ Producer Profitability (2015)

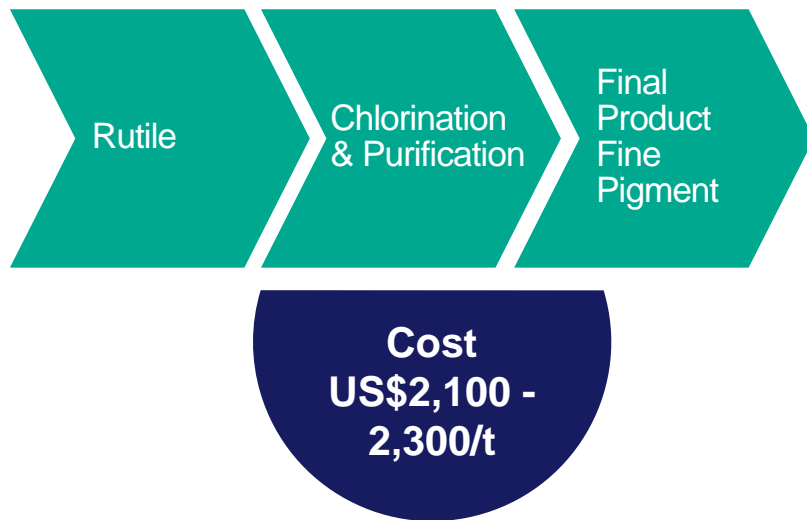


Source: Chemours - June 2016

Licensed low-cost Technology



Competitors



Neometals Nm



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

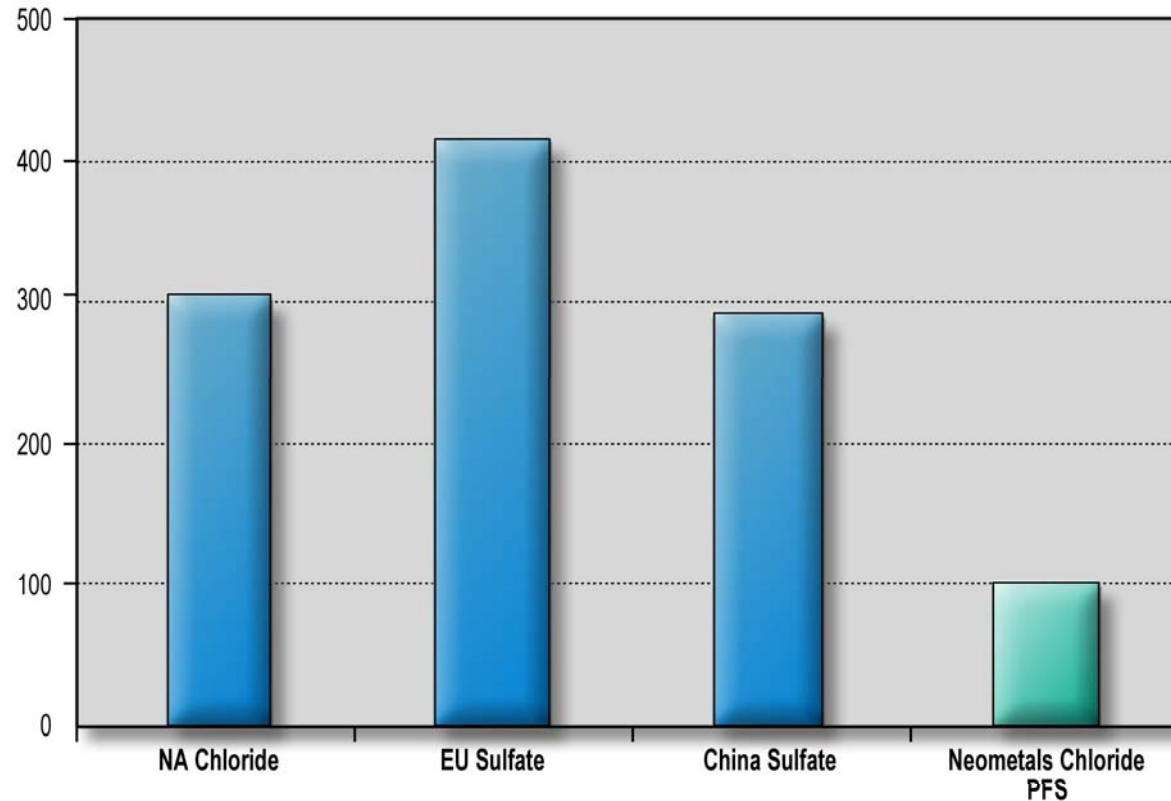
Neometals



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

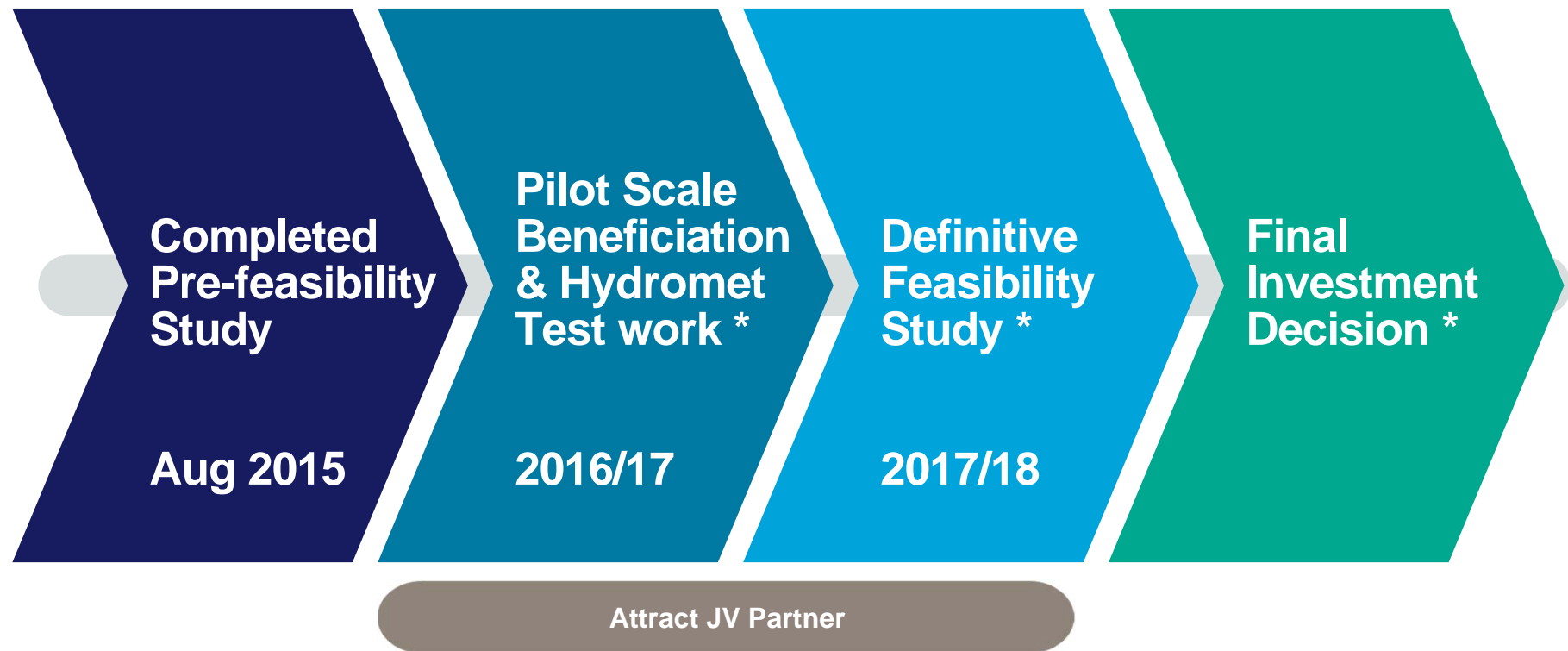
Pre-feasibility Study - Financial Metrics (*)

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



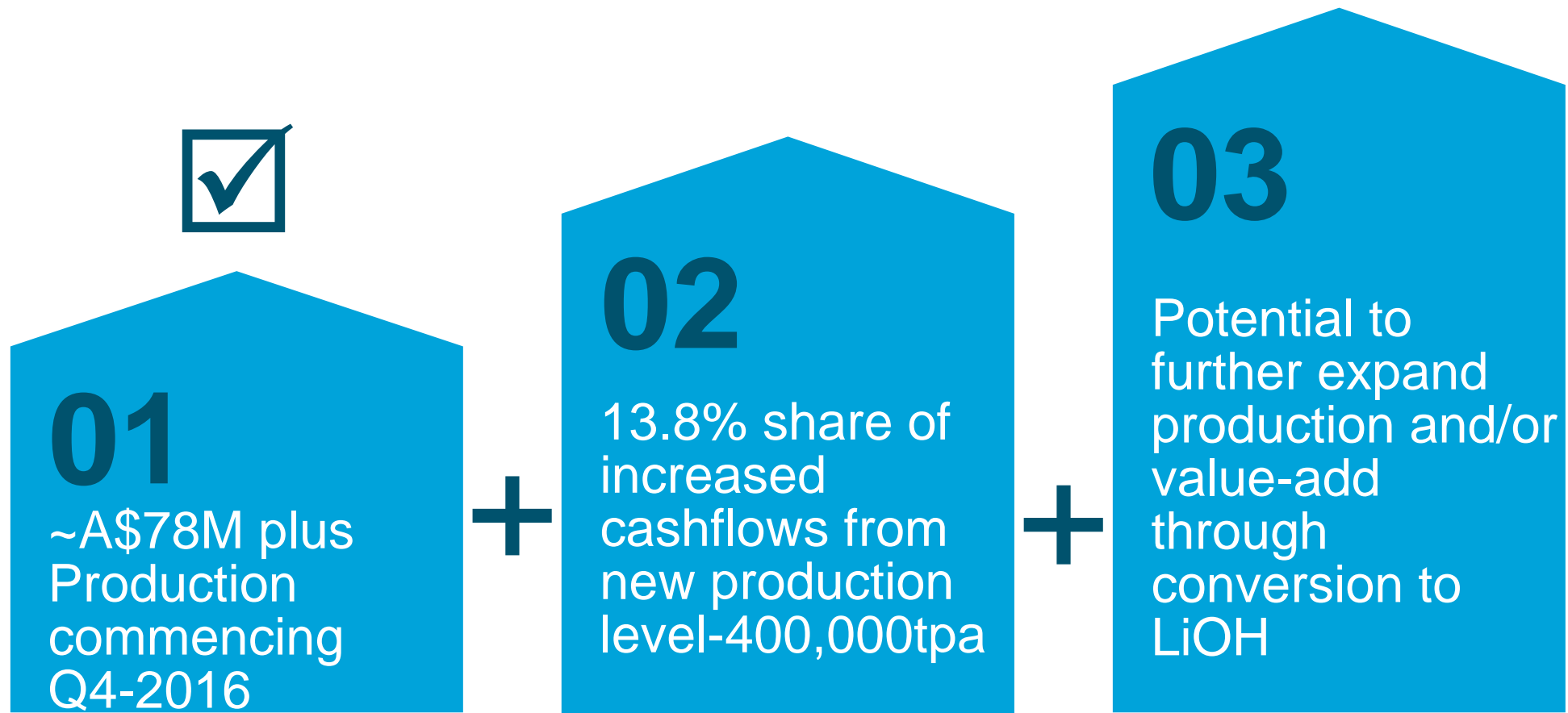
(*) Subject to Board Approval

Investment Proposition

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Lithium : Cash and cashflow



Neometals

Li + **Ti** = **Nm**

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
		Inferred							
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
		Grand Total	47.2	3.18	22.18	0.63	46.70	9.44	15.07

Neometals

