Neometals

Investor Presentation

ASX Code: NMT

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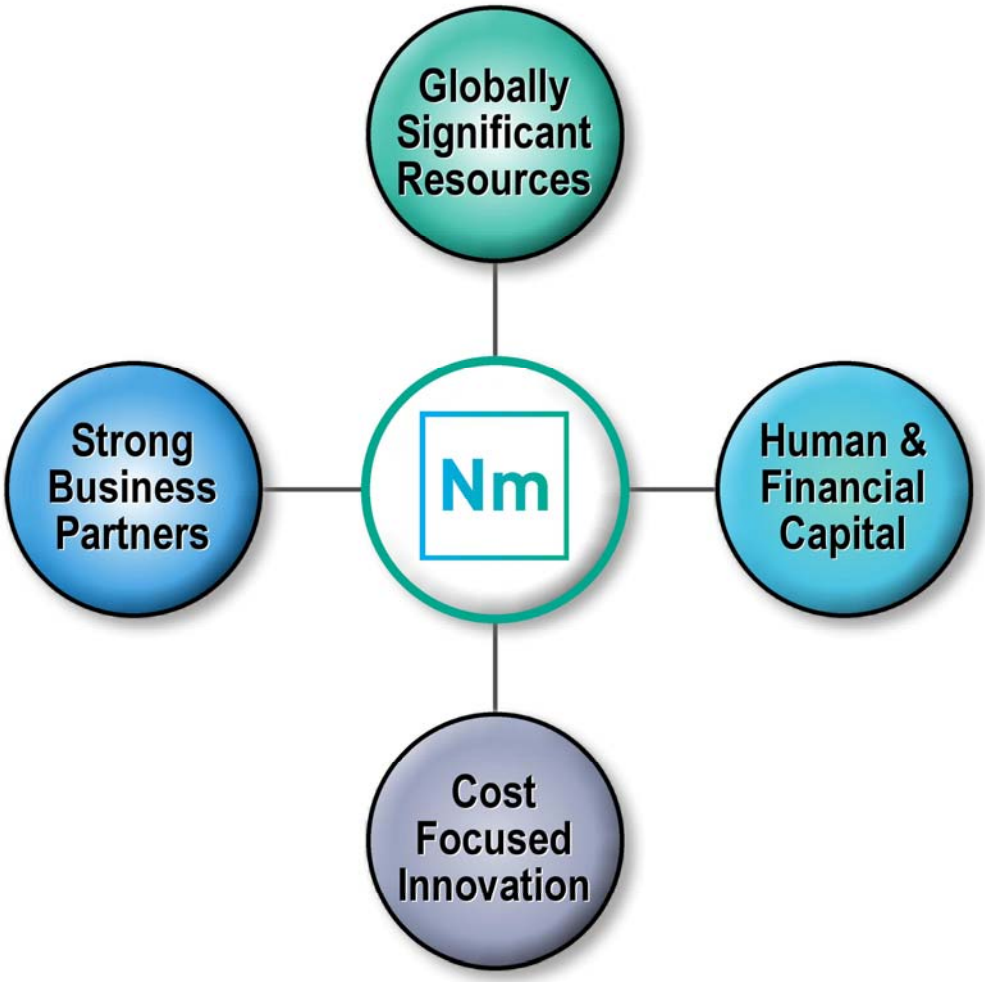
Investment risk: An investment in securities in Neometals is subject to investment and other known and unknown risks, some of which are beyond the control of Neometals. The Company does not guarantee any particular rate of return or the performance of Neometals. Investors should have regard to the risk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

Competent Persons Statement:
The information in this document that relates to, "Barrambie 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 (10-Oct-2016)	A$	0.335
Shares on issue	m	563
Market capitalisation	A$m	189
Net Cash (30-June-2016)	A$m	79.2*
Listed Investments	A$m	13.6

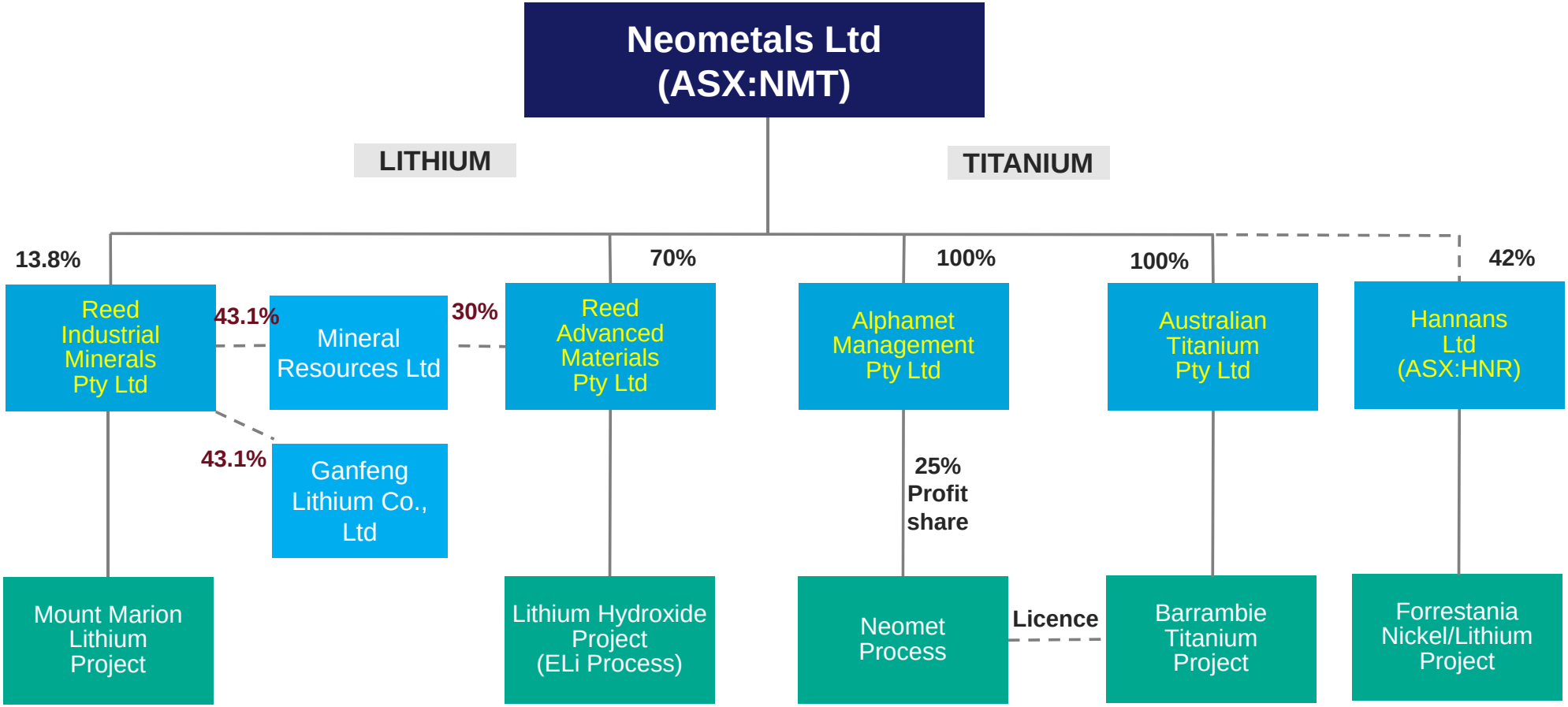
DIRECTORS/MANAGEMENT	
Steven Cole	Non-Executive Chairman
Chris Reed	Managing Director & CEO
David Reed	Non-Executive Director
Natalia Streltsova	Non-Executive Director
Doug Ritchie	Non-Executive Director
Michael Tamlin	COO
Jason Carone	CFO & Company Sec.

12 MONTH SHARE PRICE

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

* A$11.2M Dividend paid 26 August

Operating structure

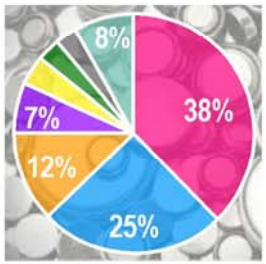


All the right elements

Demand Fundamentals

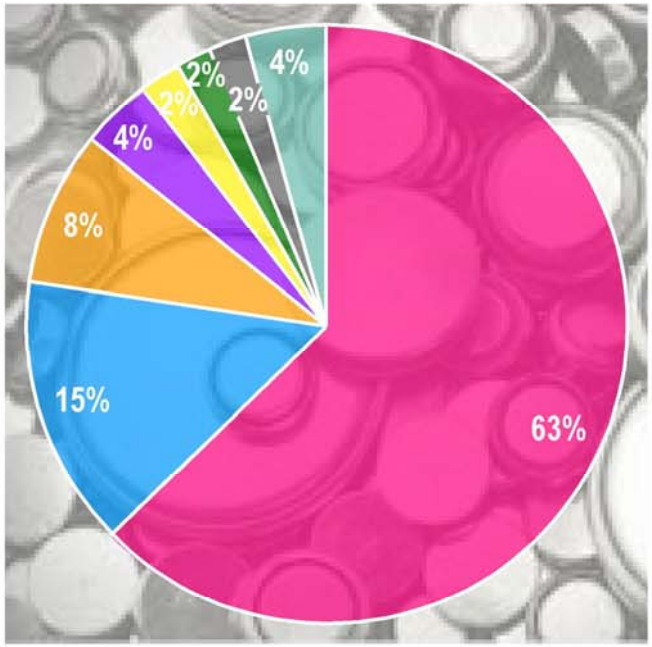
Li

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



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

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



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

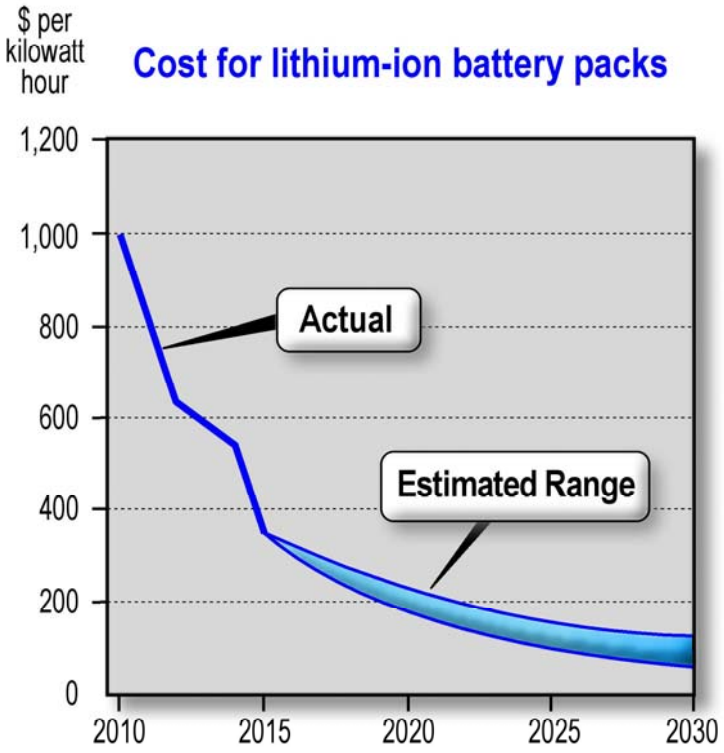
Source: signumBox estimates

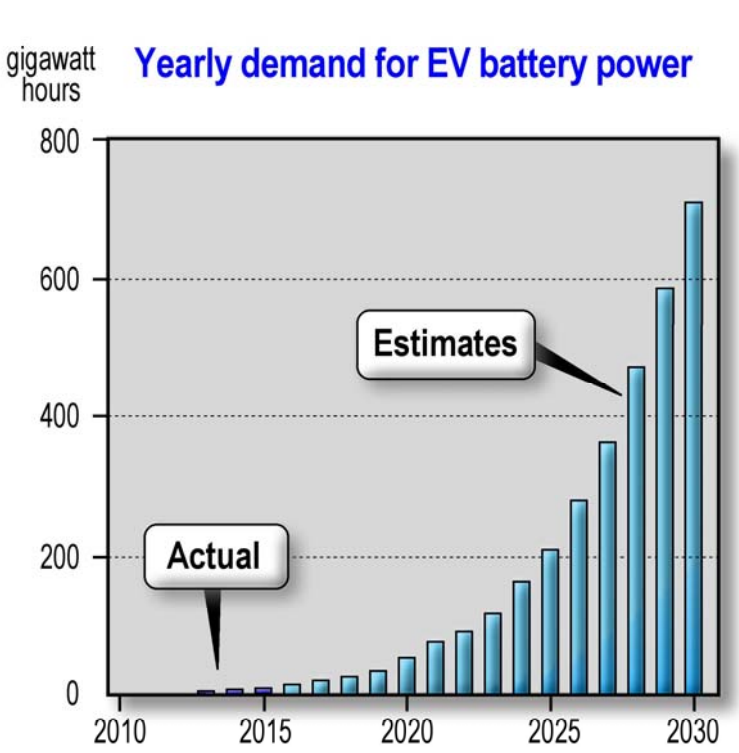
Demand Growth - Electric Vehicles

Li

Its All About The Batteries

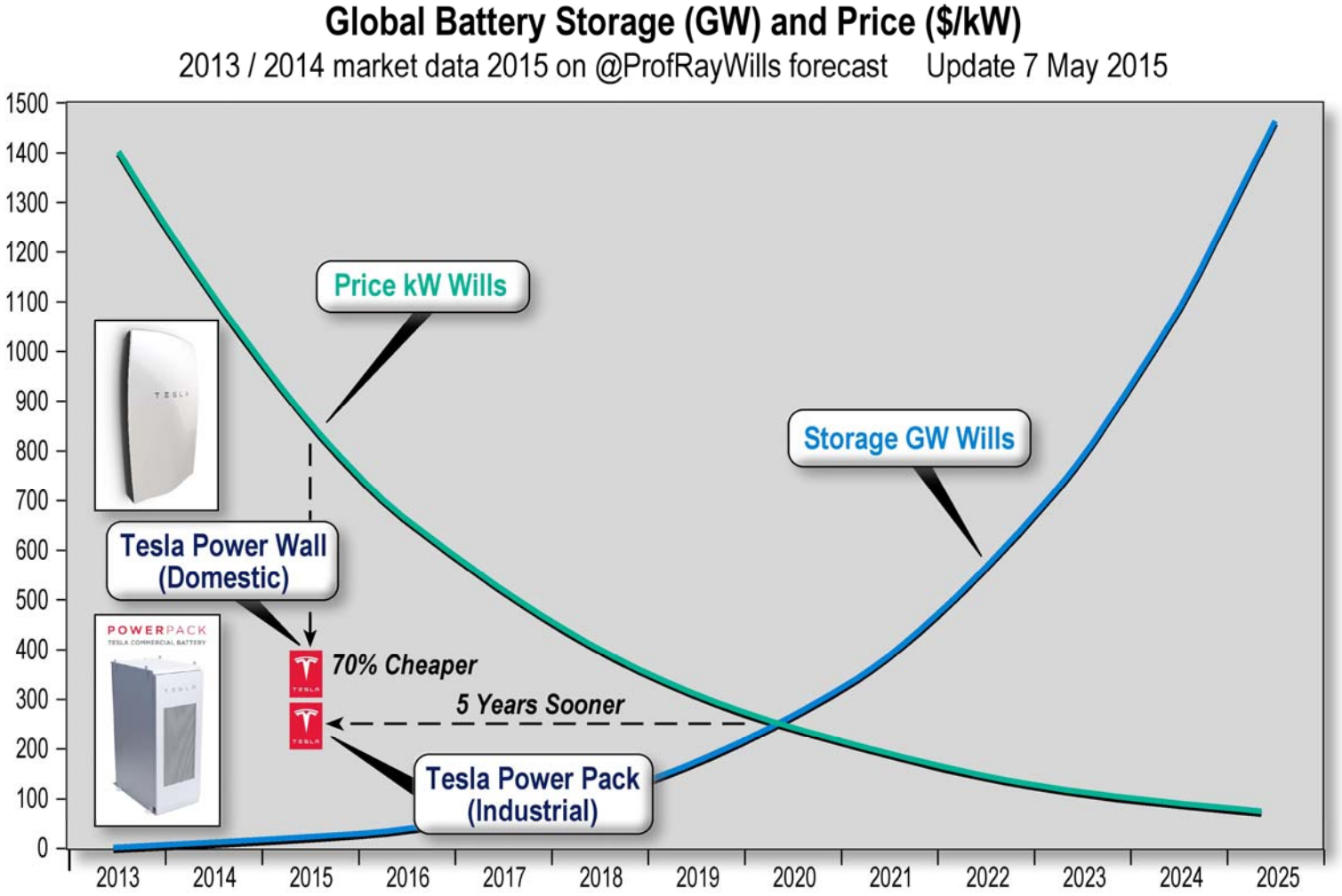
Batteries make up a third of the cost of an electric vehicle.
As battery costs continue to fall, demand for EVs will rise.



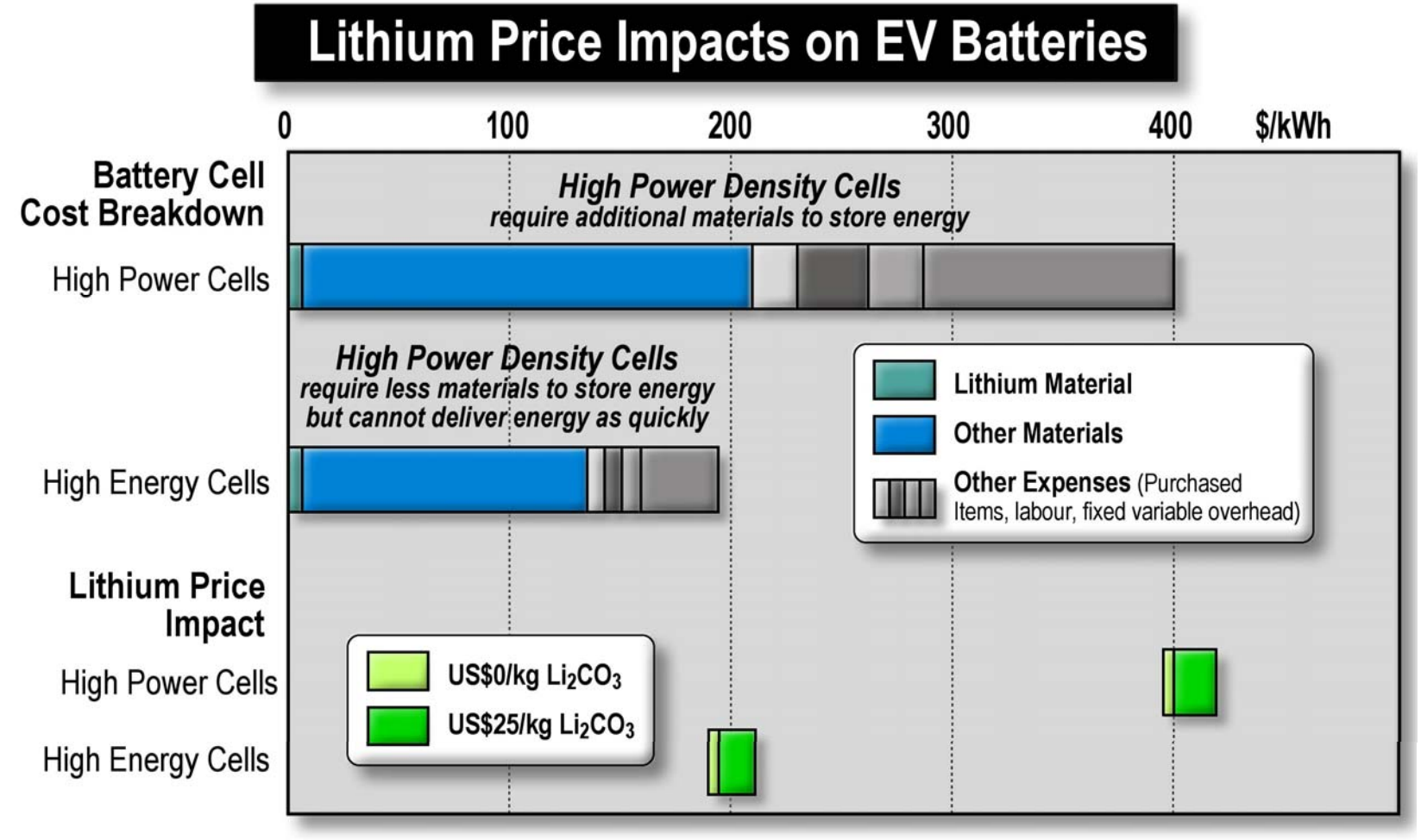


Source: Data compiled by Bloomberg New Energy Finance

Demand Growth – Stationary Storage

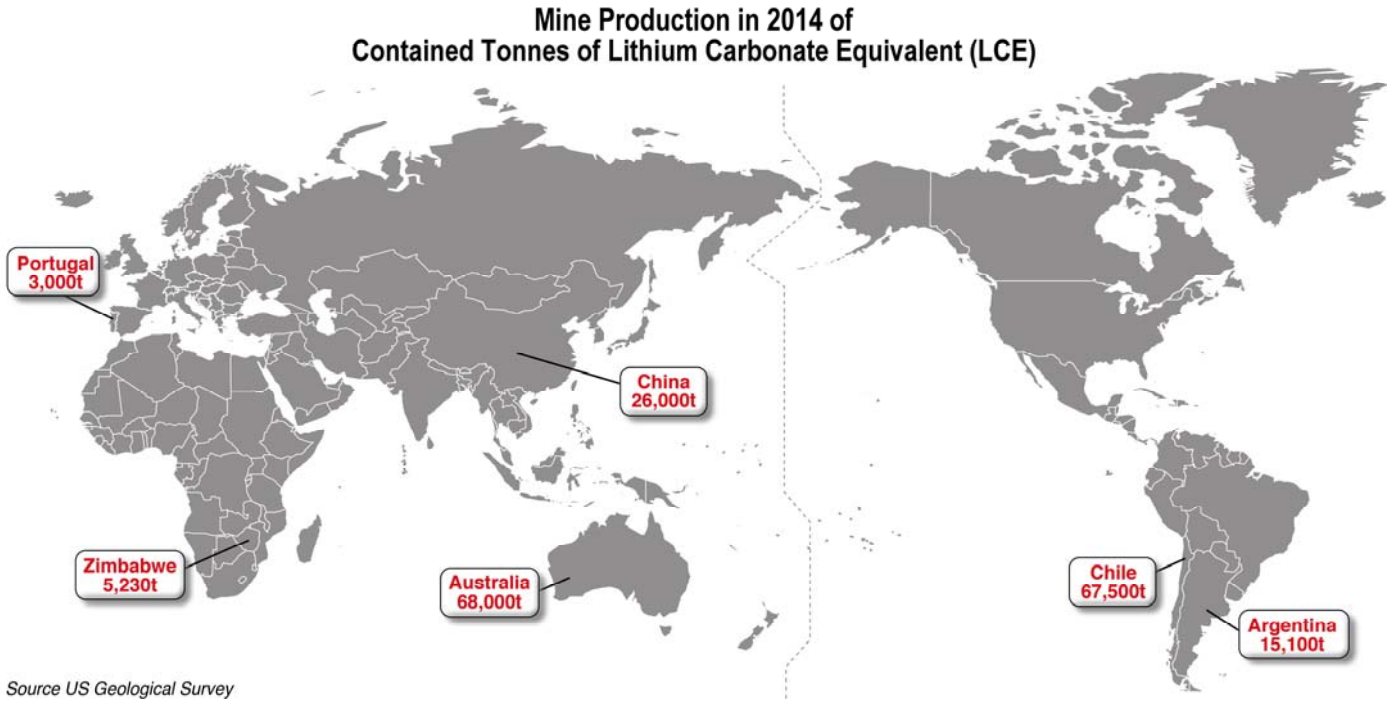


Demand Fundamentals – Price Inelasticity



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

Supply Fundamentals – Elastic



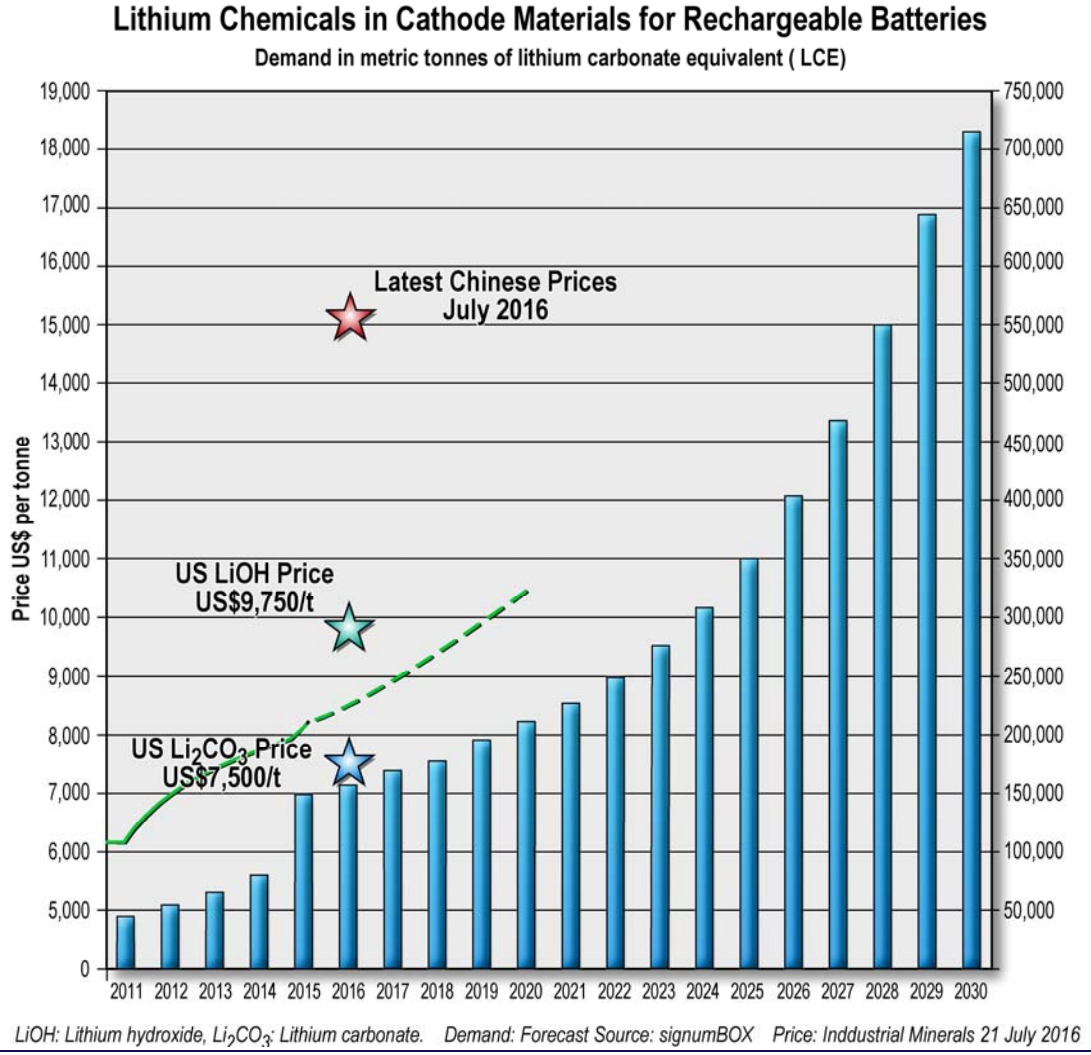
- ✓ Oligopoly – 3 brine and 2 hard rock converters (incl Ganfeng) control +80% world production.
- ✓ SQM, ALB,FMC, Tianqi, Ganfeng all increasing supply
- ✓ Brines have larger Capex/longer lead times than hard rock

Neometals

Li + Ti = Nm

Strong demand – constrained supply

Li



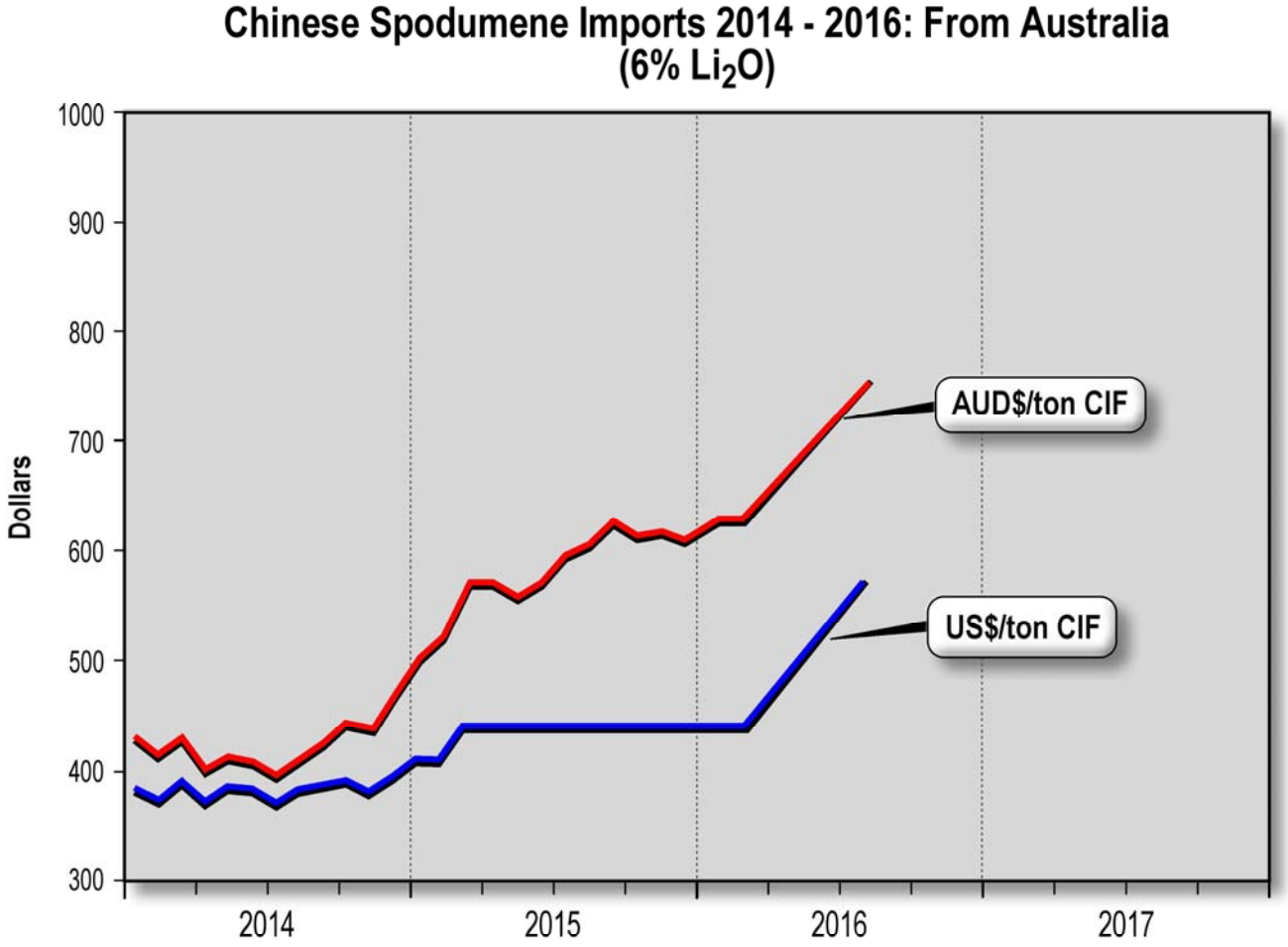
LiOH: Lithium hydroxide, Li_2CO_3: Lithium carbonate. Demand: Forecast Source: signumBOX Price: Inddustrial Minerals 21 July 2016

Neometals

Li + Ti = Nm

Lithium Concentrate Prices

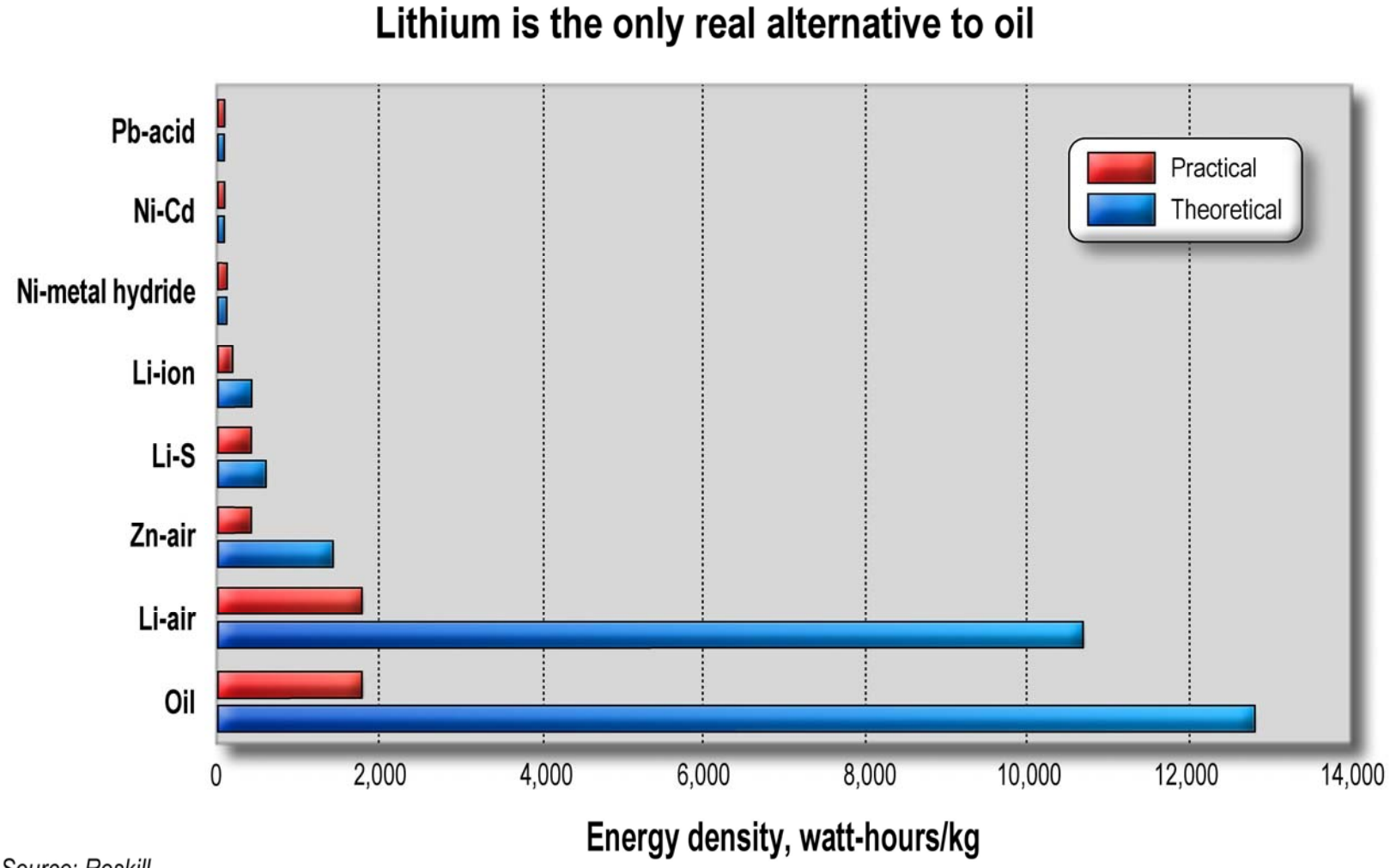
Li



Source: SignumBOX, Global Trade Information Services and Neometals Management

LT Demand Fundamentals

Li



Source: Roskill

Neometals

Li + Ti = Nm

Mt Marion Lithium Project

13.8% Neometals Ltd

43.1% Ganfeng Lithium

43.1% and Operator

Mineral Resources Ltd (ASX:MIN)

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

Strong Offtake Partner

Li

赣锋锂业
GanfengLithium

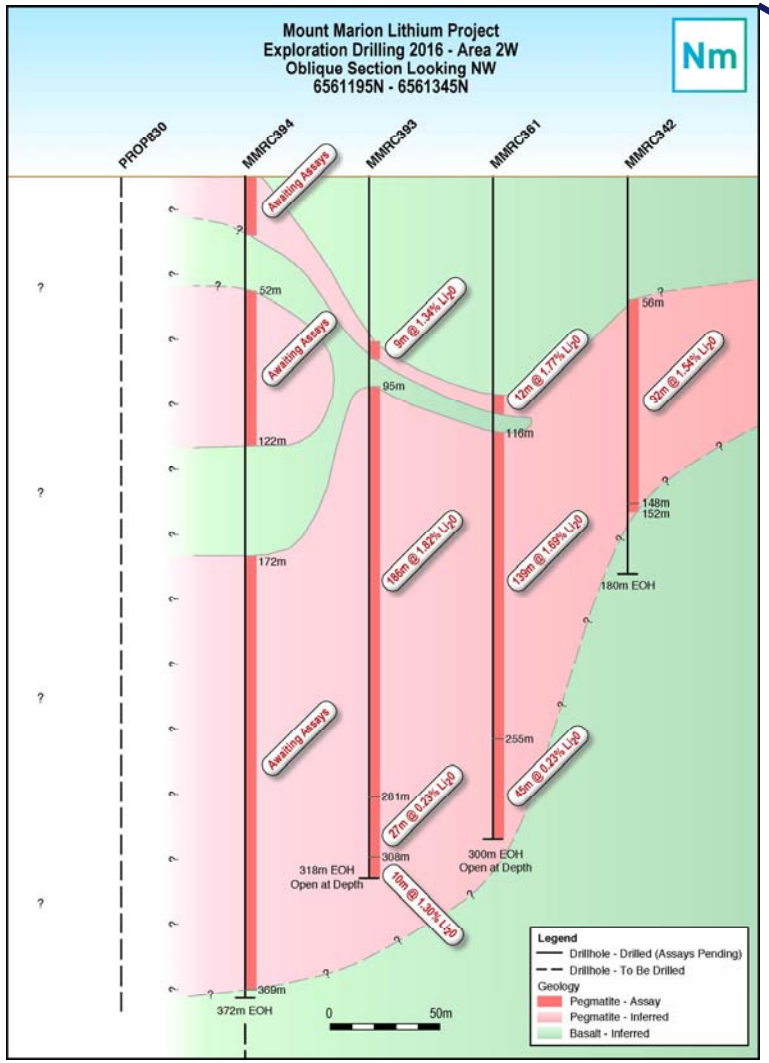
- ✓ China's leading, most profitable lithium producer
- ✓ Life-of-Mine, *Take-or-pay* Offtake Agreement
- ✓ At Market Price with *floor price* protection
- ✓ US$20M Letter of Credit (100% payment on shipping)
- ✓ *Ability for MIN/Neometals to take equity share of production after 3 years.*

Flythrough

Mt Marion Resource – July '16

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

Li



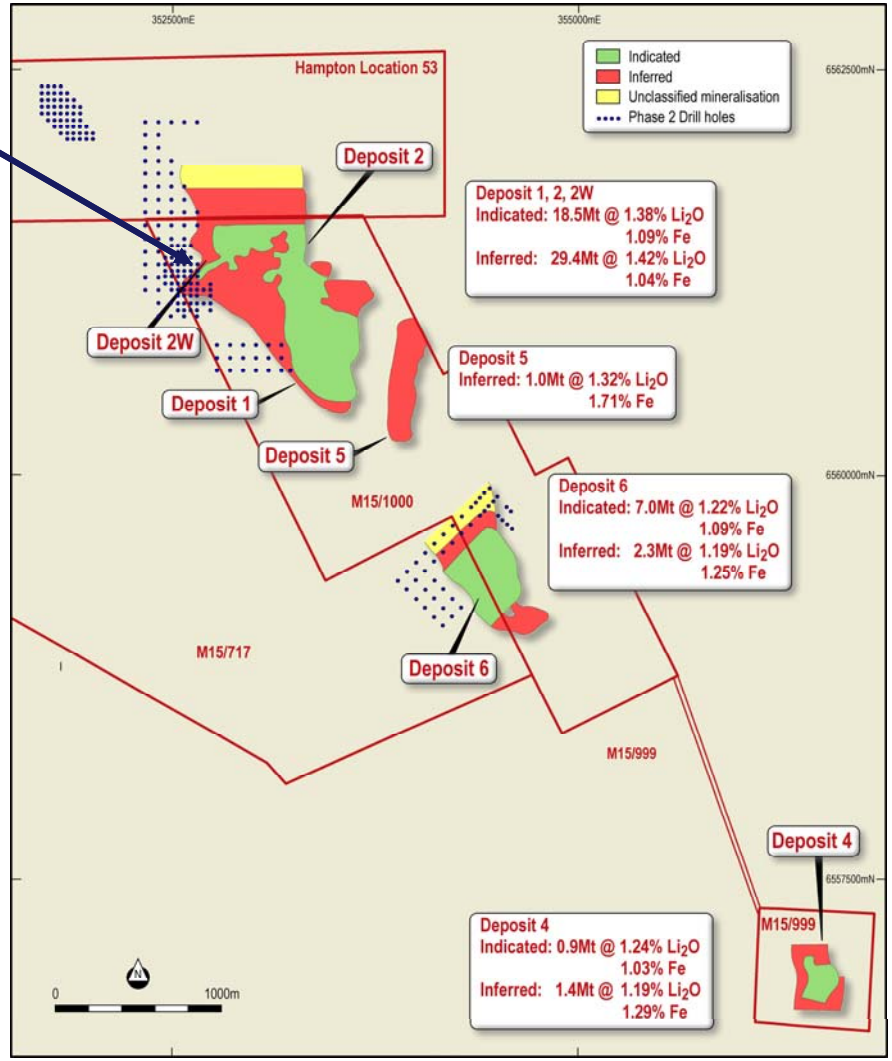


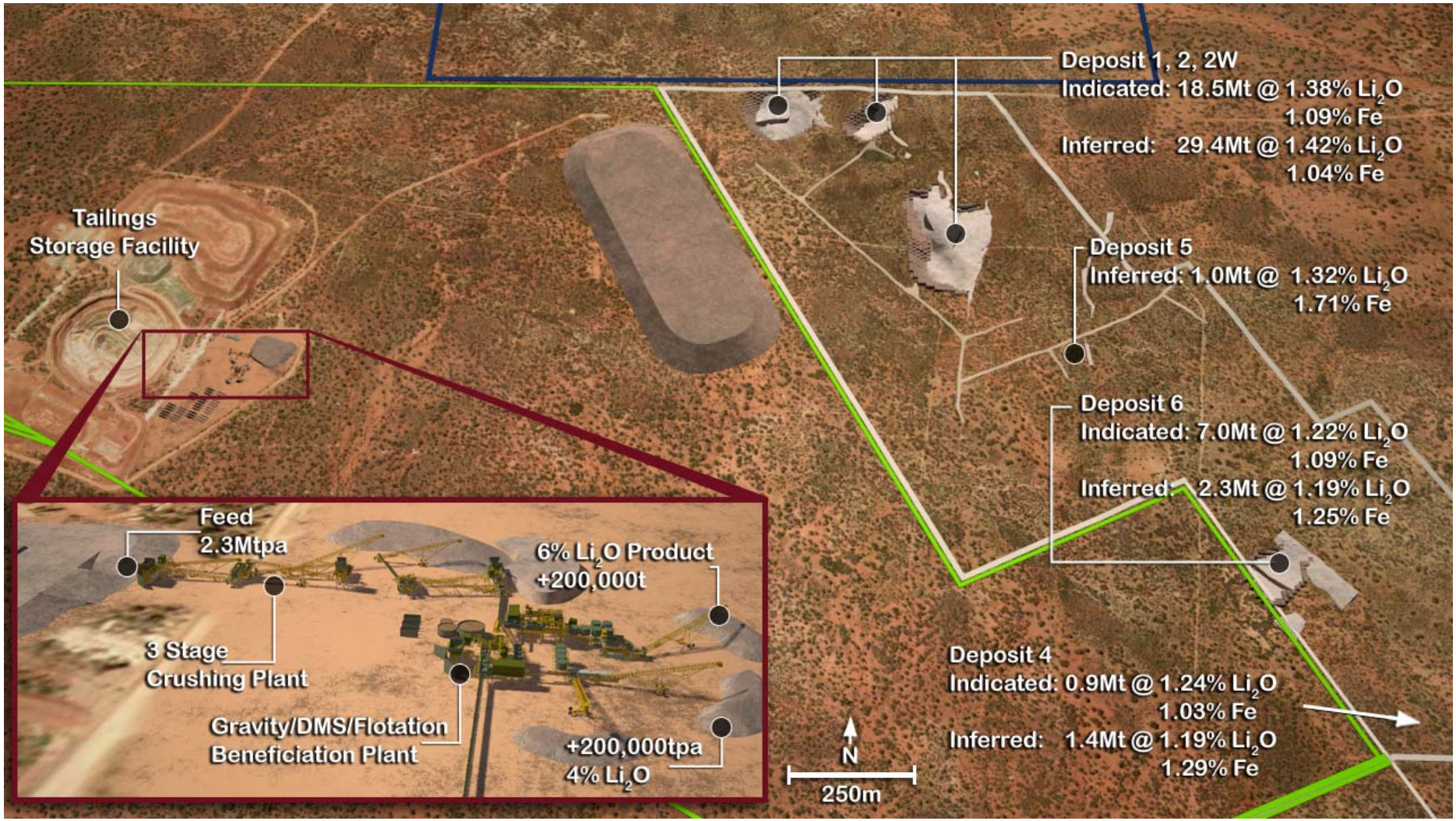
Figure may not sum due to rounding
Significant figures do not imply an added level of precision

Li + Ti = Nm

Neometals

Mining - Deposit 1

Site layout


Deposit 1, 2, 2W
Indicated: 18.5Mt @ 1.38% Li_2O
1.09% Fe
Inferred: 29.4Mt @ 1.42% Li_2O
1.04% Fe
Tailings
Storage Facility
Deposit 5
Inferred: 1.0Mt @ 1.32% Li_2O
1.71% Fe
Deposit 6
Indicated: 7.0Mt @ 1.22% Li_2O
1.09% Fe
Inferred: 2.3Mt @ 1.19% Li_2O
1.25% Fe
Feed
2.3Mtpa
6% Li_2O Product
+200,000t
3 Stage
Crushing Plant
Gravity/DMS/Flotation
Beneficiation Plant
+200,000tpa
4% Li_2O
Deposit 4
Indicated: 0.9Mt @ 1.24% Li_2O
1.03% Fe
Inferred: 1.4Mt @ 1.19% Li_2O
1.29% Fe
N
250m

Crushing & Screening - Fully Commissioned

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

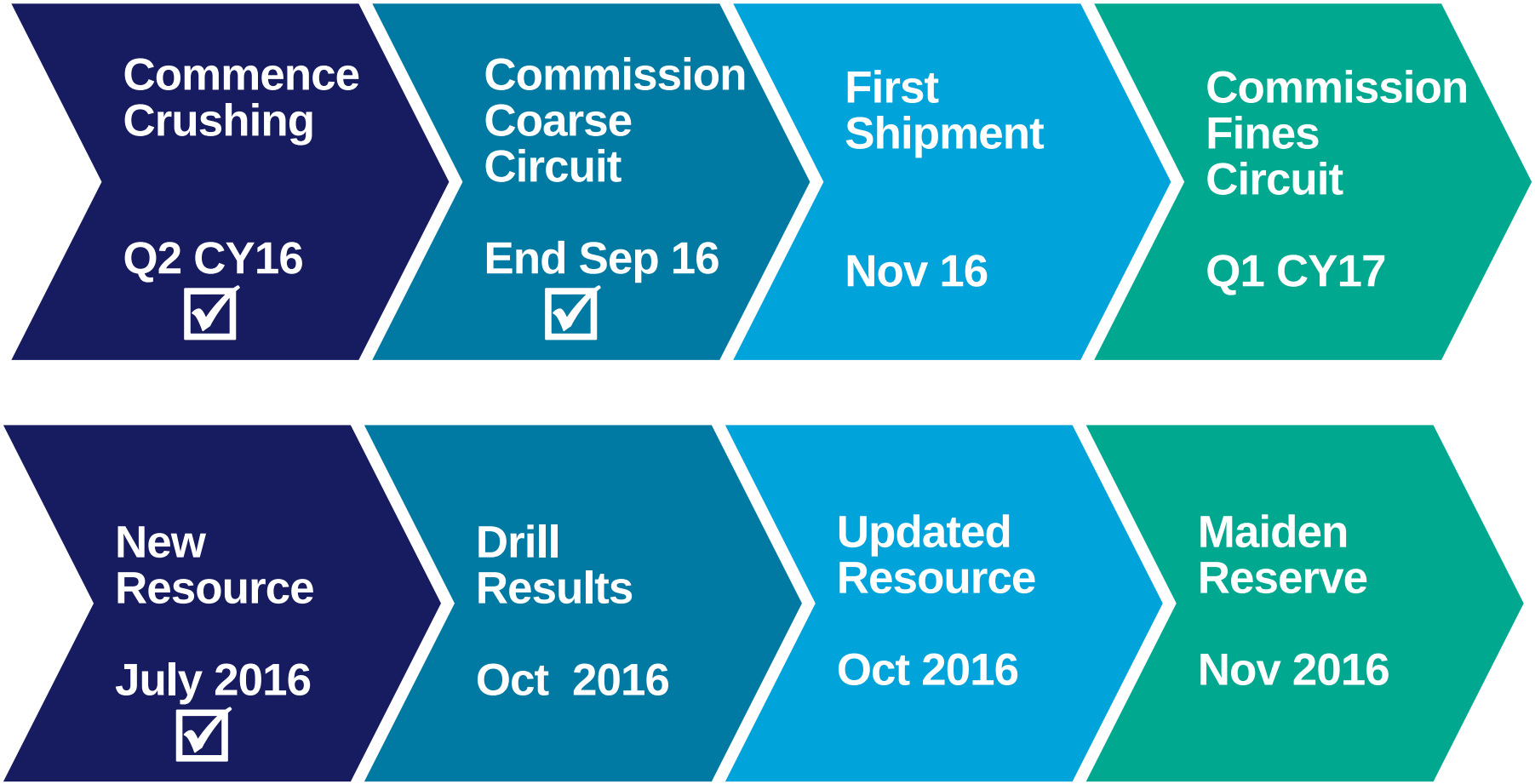
31 July

Beneficiation – Commissioning commenced

12 September

First feed- 28 September

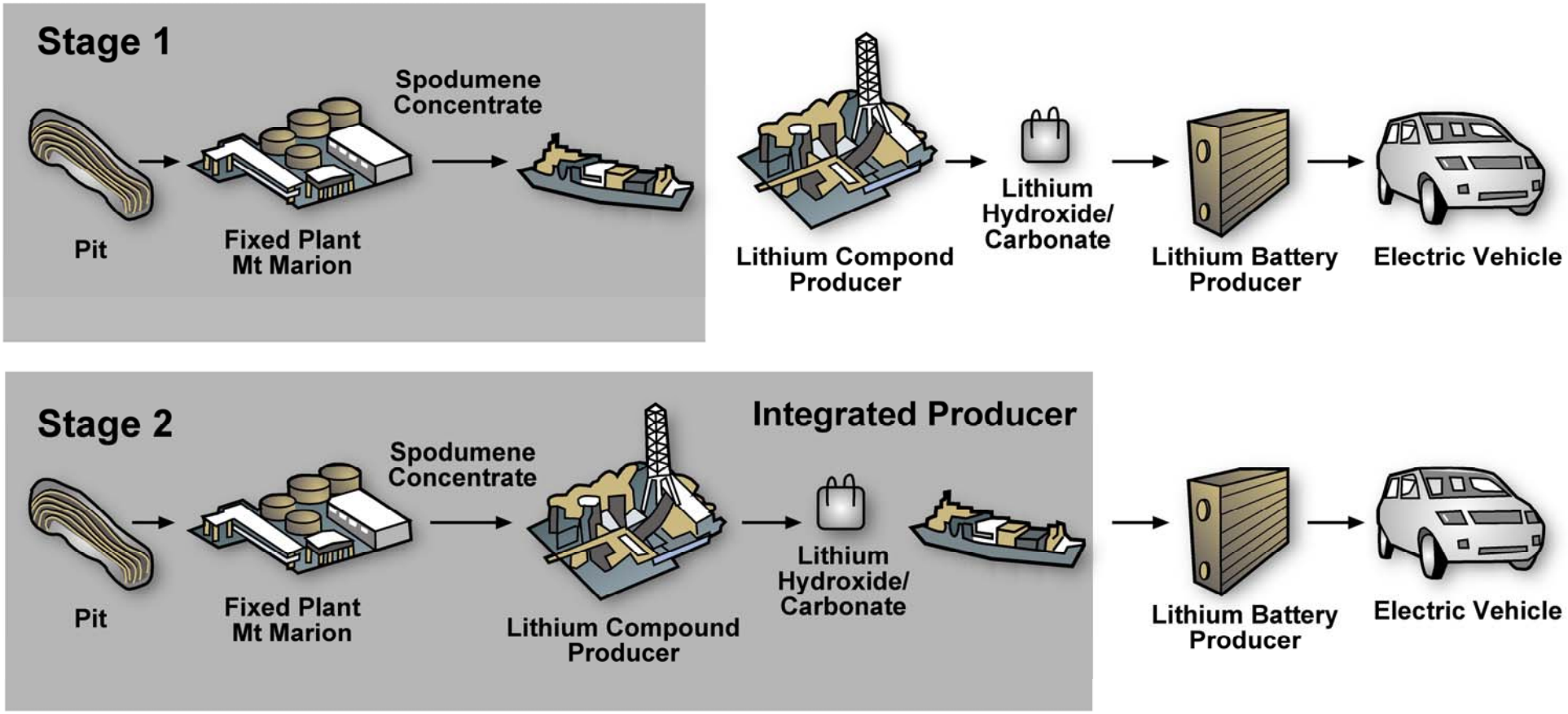
Project milestones



Downstream processing

Lithium Hydroxide (LiOH)

Strategy


Stage 1
Spodumene Concentrate
Pit
Fixed Plant Mt Marion
Lithium Compond Producer
Lithium Hydroxide/ Carbonate
Lithium Battery Producer
Electric Vehicle
Stage 2
Integrated Producer
Spodumene Concentrate
Pit
Fixed Plant Mt Marion
Lithium Compound Producer
Lithium Hydroxide/ Carbonate
Lithium Battery Producer
Electric Vehicle

New Commercialisation Plan

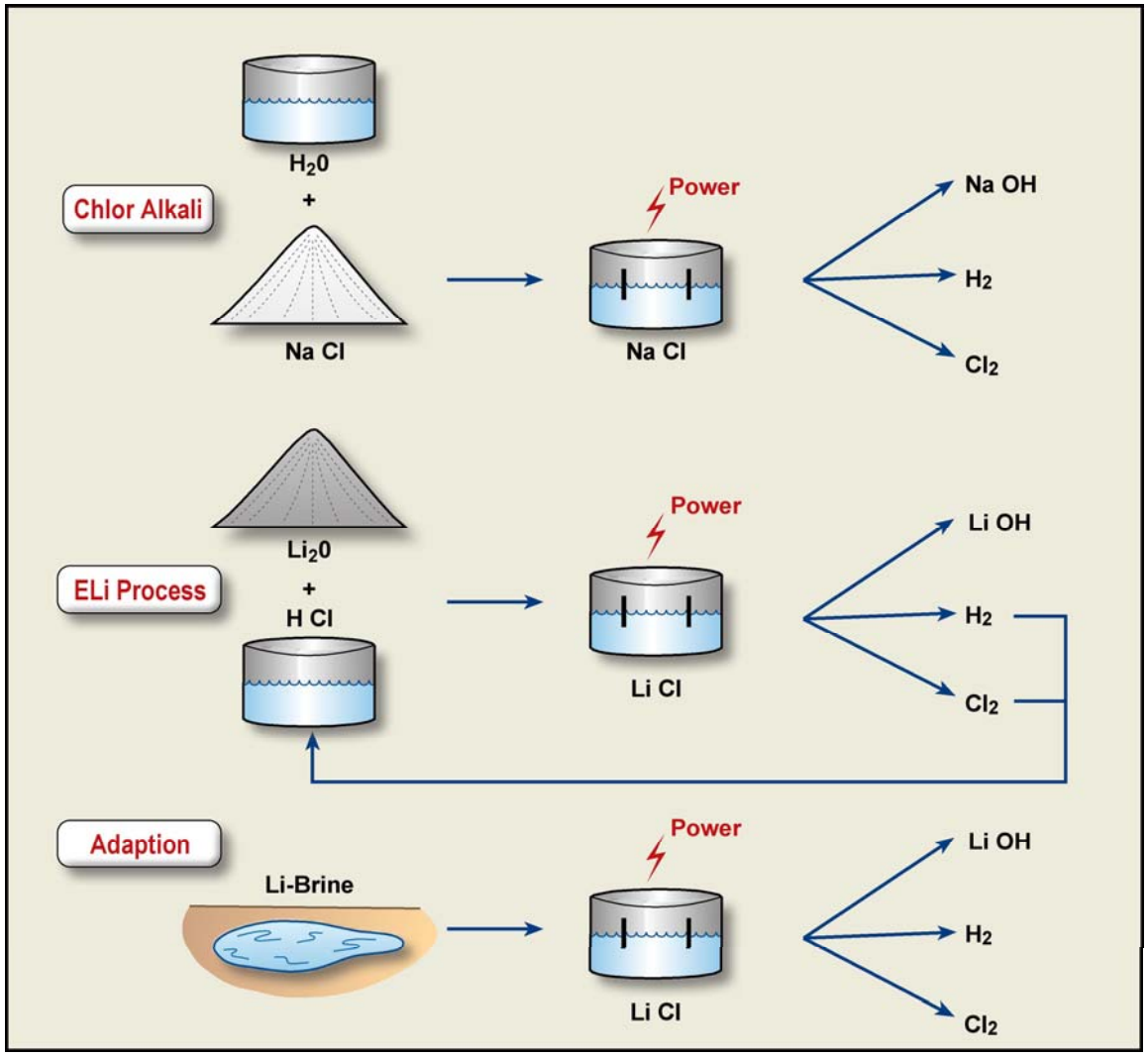
- Locate plant in Goldfields to minimise transport, 7t concentrates needed for 1t of Lithium Hydroxide
- Utilise local workforce, reagents and energy infrastructure
- Use Conventional Sulfate/Caustic Flowsheet used by leading Chinese Converters
- Remove technology risk – speed to market
- NMT/MIN to contribute offtake, nominally ~ 25:75 split

(*) Subject to NMT/MIN Board Approval (**) Subject to FID

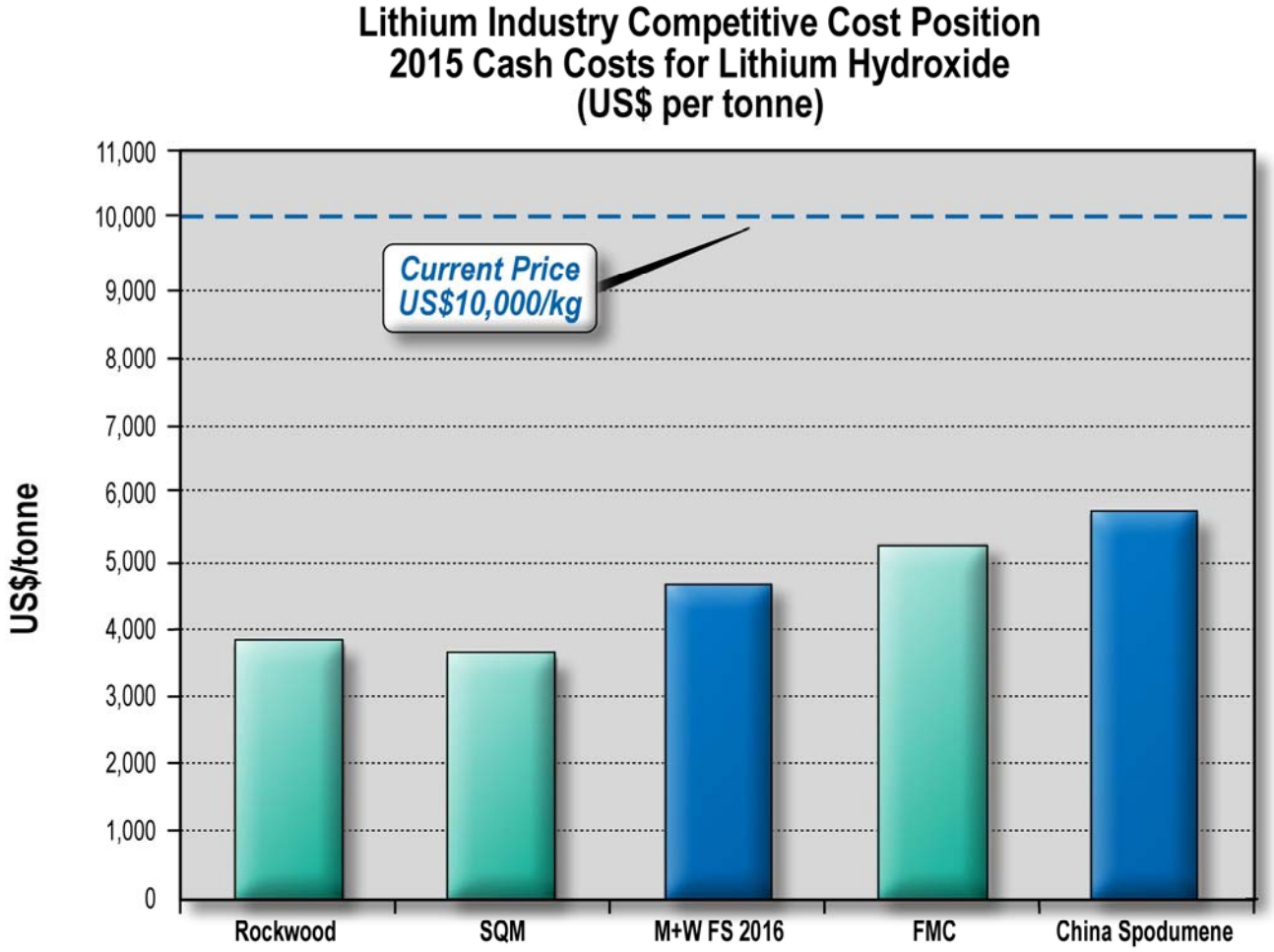
Neometals

Li + Ti = Nm

Own low-cost Patented Technology
70% NMT: 30% MIN



Own low-cost Patented Technology

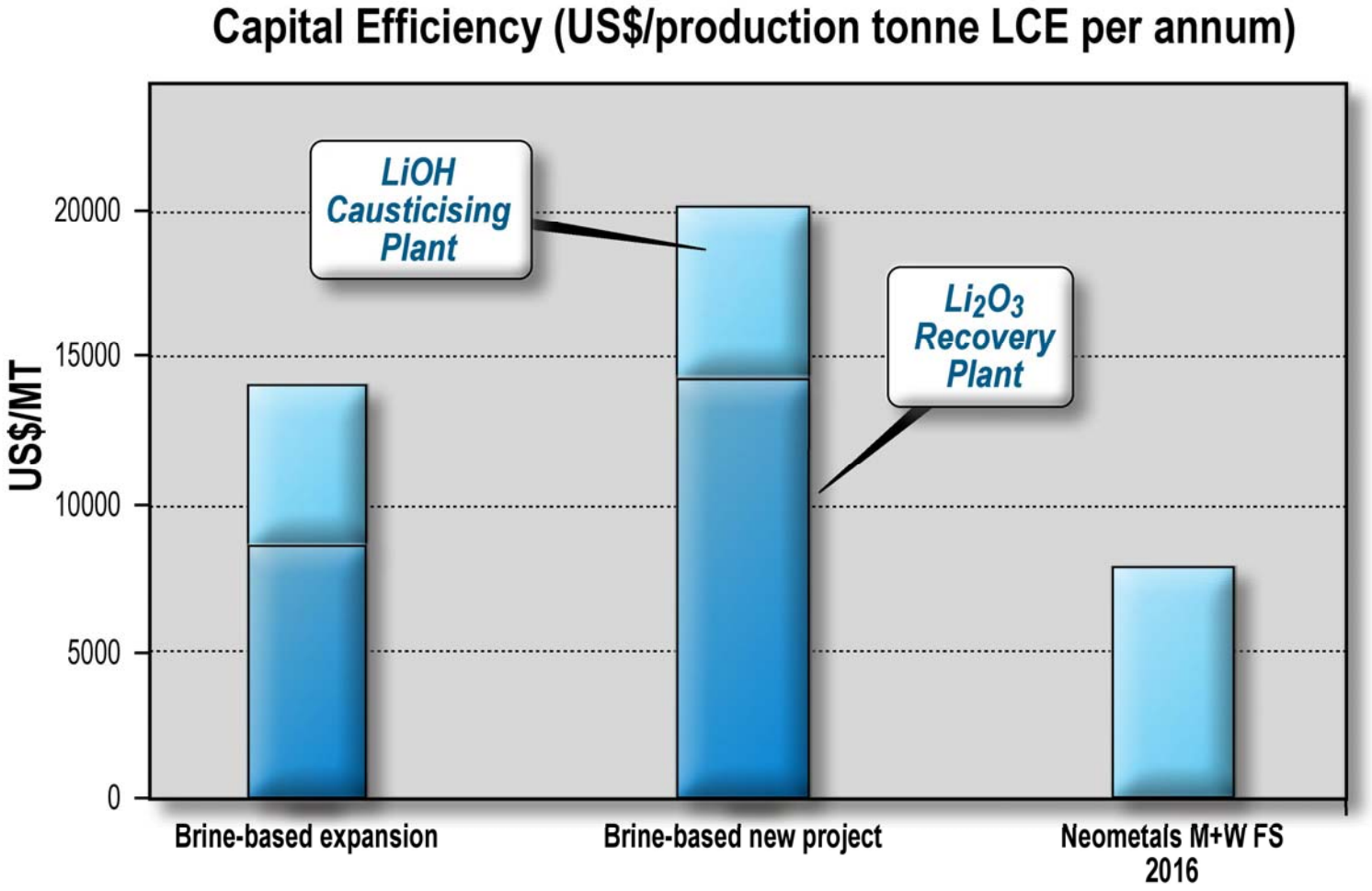


Source: Global Lithium LLC (costs), Industrial Minerals (price), Neometals Management (ELi cost)

Neometals

Li + Ti = Nm

Own low-cost Patented Technology



Sources: FMC Corporate Presentation 2011, Neometals Management Analysis

Neometals

Li + Ti = Nm

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_2CO_3
Average Cost per tonne of LiOH	US$ 4,630/t
Average Cost per tonne of Li_2CO_3	US$ 5,345/t

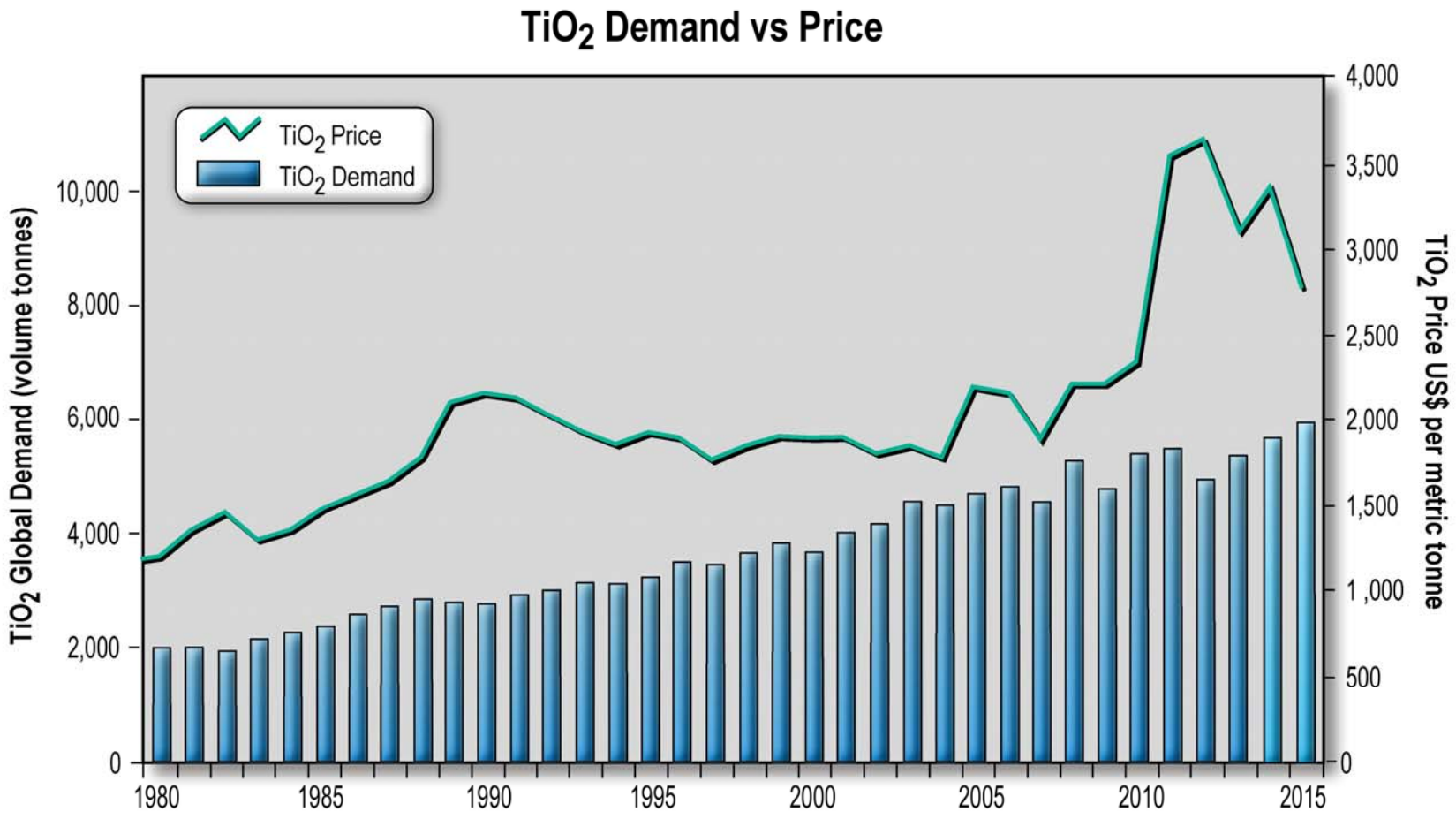
** Capital costs valid at June 2016. Estimated to accuracy of ±15%, **Including** EPCM and Contingency
Assumptions: 2016 Spodumene feedstock US$440/t CIF (6% Li_2O); LiOH/Li_2CO_3 selling price US$11k/10k/t CIF respectively

Barrambie Titanium Project

100% Neometals

Titanium Fundamentals

Ti



Source: US Geological Survey, Industrial Minerals and Huntsman

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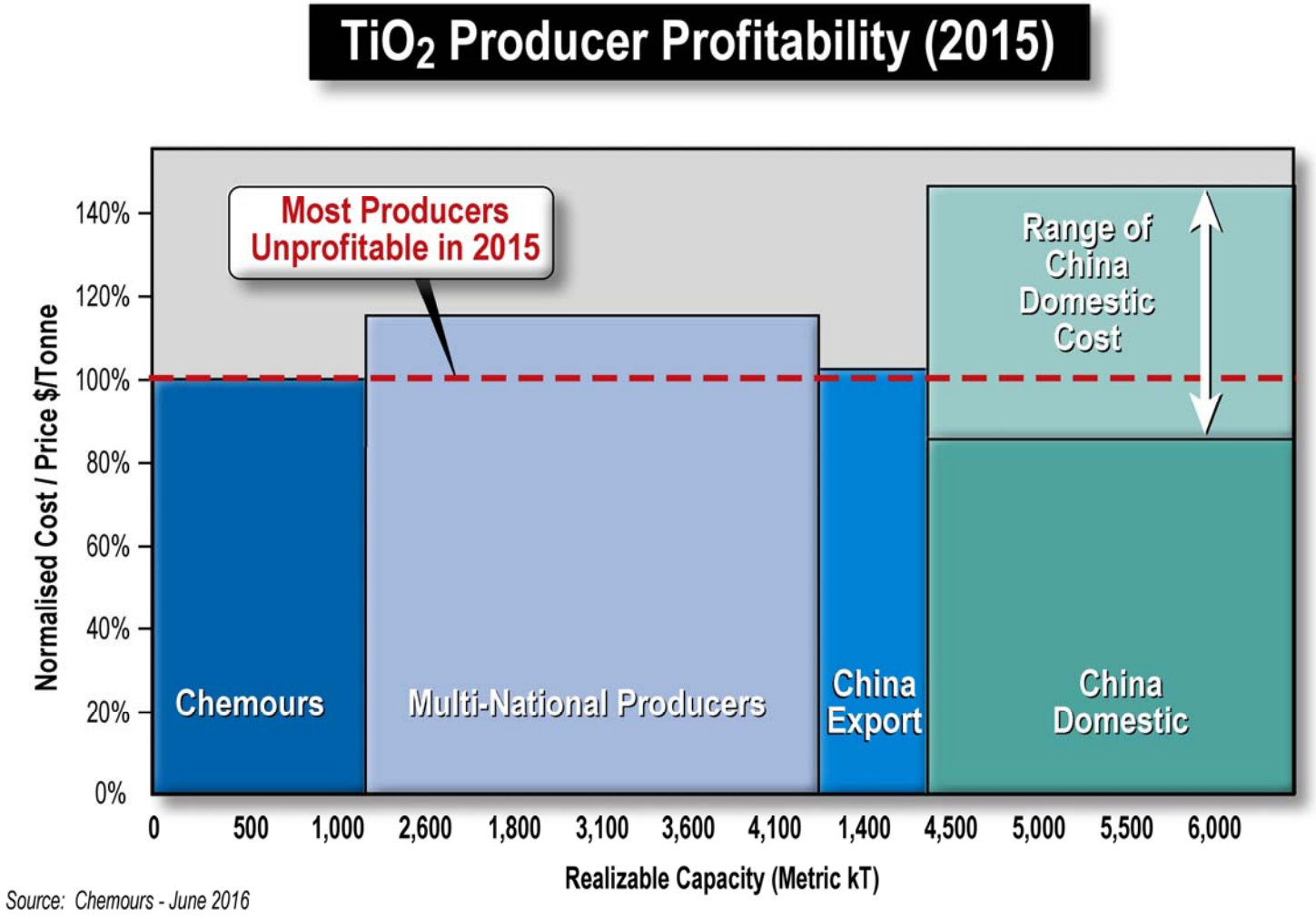
Li + Ti = Nm

Sources: Company Reports

Titanium Fundamentals

Ti



Source: Chemours - June 2016

Neometals

Li + Ti = Nm

Sources: Company Reports

Licenced low-cost Technology

Ti

Competitors

Nm Neometals

- ☑ Mini-pilot scale testing in Canada – 2014/15
- ☑ High purity +99% TiO_2
- ☑ PFS Completed by Sedgman – August 2015

Neometals

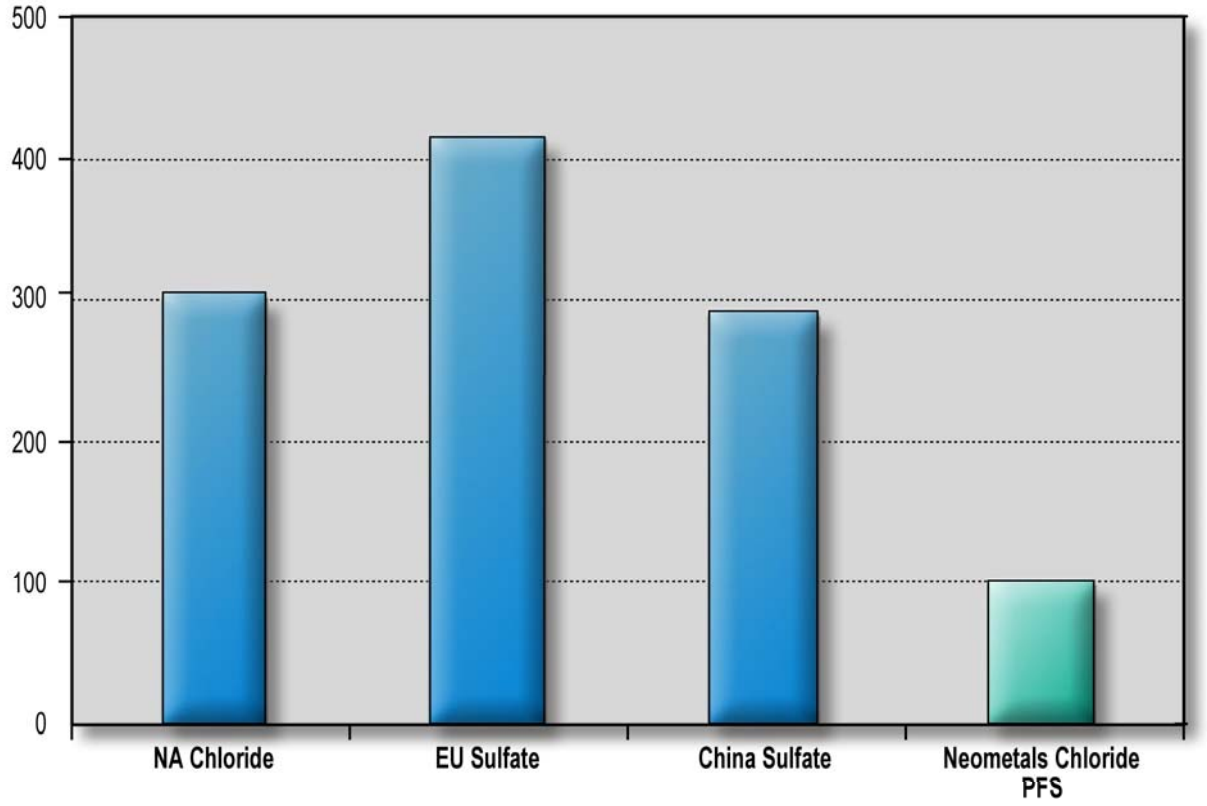
Li + Ti = Nm

Sources: SQM (Brine Flowsheet) and Neometals internal analysis including 2012 Pre-feasibility Study. All prices are FOB Basis.

Licenced low-cost Technology

Ti

Relative Standard-Plant Cash Operating Costs
(US$ per tonne TiO_2 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

Ti

1

+150Mt @34% TiO_2

Lac Tio

RioTinto

2

47Mt @ 22% TiO_2

Barrambie*

Nm Neometals

3

18%

Tellnes

KRONOS

* Mineral Resource Estimate (JORC2012) on page 29

Neometals

Li + Ti = Nm

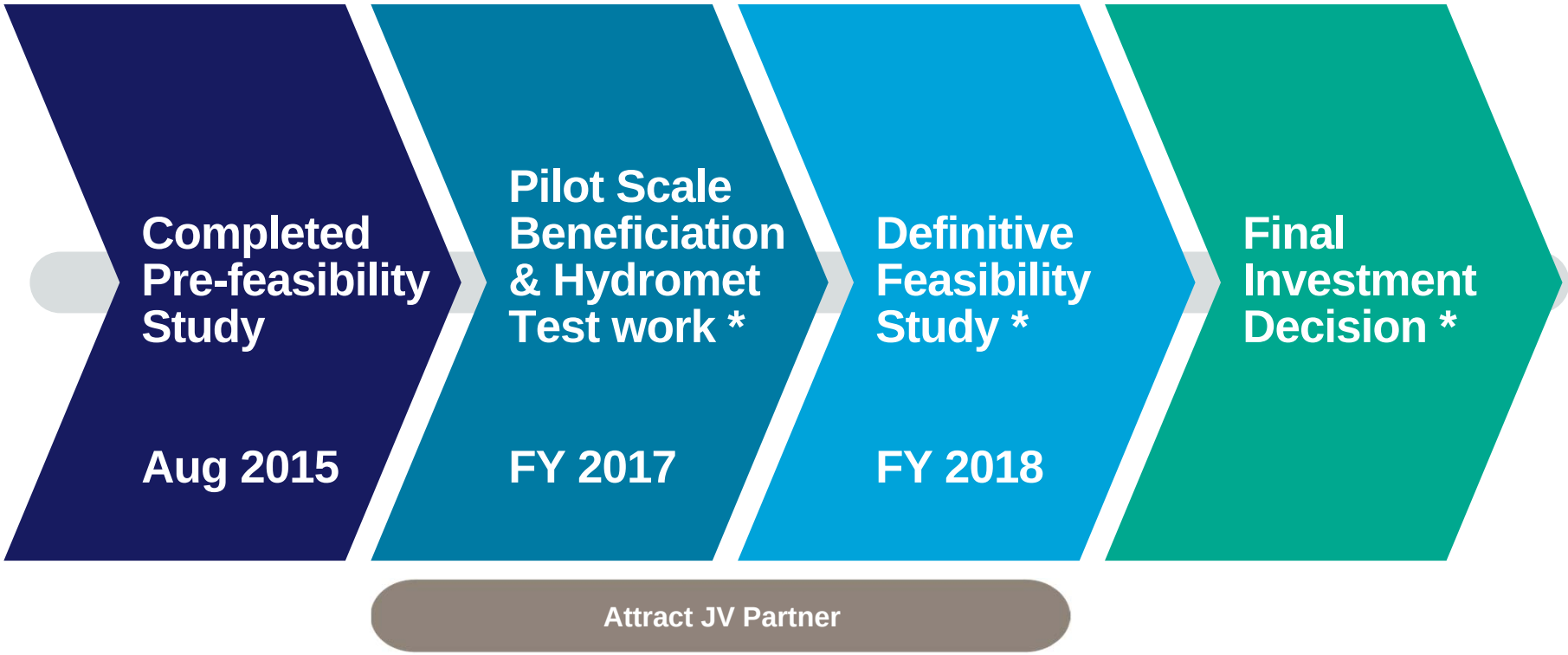
Sources: Company Reports

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_2O_5 234,000t Fe_2O_3
Cash Operating Cost per tonne of paid TiO_2 net of co-product credit	**US$ 572/t**

(*) Estimated to accuracy of ±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

Lithium : Cash and cashflow

☑

01

~A$66M plus Production commencing Q4-2016

+

02

13.8% share of increased cashflows from new production level-400,000tpa

+

03

Potential to further expand production and/or value-add through conversion to LiOH

Neometals

Li + Ti = Nm

Titanium : A growth story for 2017

Neometals

Li + Ti = Nm

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% Li_2O

Classification	Deposit	Tonnes (Mt)	Li_2O %	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	1.08
	Grand Total	**60.5**	**1.36**	**1.09**

***NOTE**: Figures may not sum due to rounding. Significant figures do not imply an added level of precision.*

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_2O_5 (%)	Fe_2O_3 (%)	Al_2O_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	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

Li + Ti = Nm

***NOTE**: Figures may not sum due to rounding. Significant figures do not imply an added level of precision.*