Neometals

The Evolution of Lithium™

AMEC Presentation

8 June 2017

Disclaimer

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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 "Lithium Battery Recycling – Scoping Study Results" are 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
27/10/2016	Mt Marion Mineral Resource Upgrade
22/02/2017	Lithium Battery Recycling – Scoping Study 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 Lithium Battery Recycling – Scoping Study continue to apply and have not materially changed.

Corporate

Human & Financial Resources

ASX CODE: NMT	OTC:RDRUY	
Last close (31-5-2017)	A$	0.25
Shares on issue	M	560
Market capitalisation	A$M	140
Net Cash (at 31-3-2017)	A$M	**53.5**
Receivables/Investments	A$M	**16.5**

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.

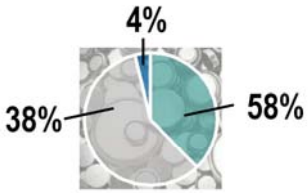
18 MONTH SHARE PRICE

MAJOR SHAREHOLDERS	
David Reed	10.9%
Kilkenny Limited	4.3%
Top 20 (10-5-2017)	38.2%

All the right elements

Investment Thematic – Conservative Exposure to Energy Storage Revolution

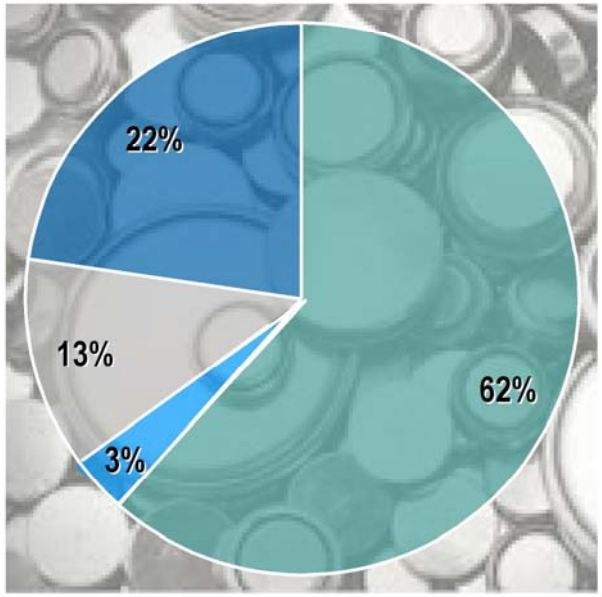
Global Lithium-Ion Battery Capacity - 2016 (27.9 GWh)



- China
- Poland
- Korea
- United States

6X Growth

Global Lithium-Ion Battery Capacity - 2020 (173.5 GWh)



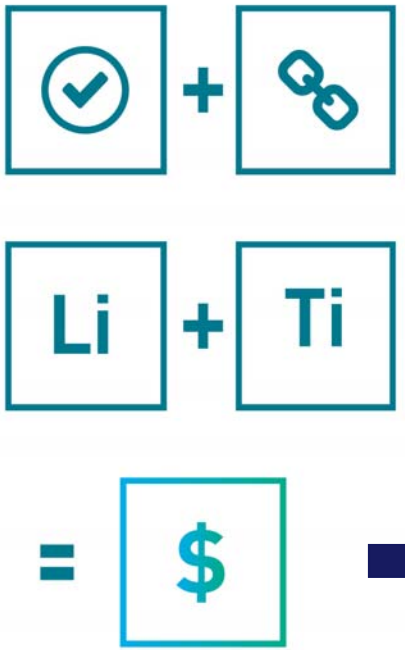
Source: estimates on battery capacity courtesy of Benchmark Mineral Intelligence

Long-term Strategy

Combining innovative cost advantages and strong partners

to develop a portfolio of globally significant mineral resources

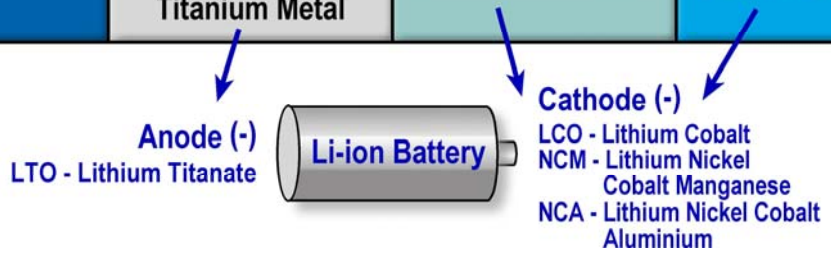
into lower-risk, long-life, high-margin operations to optimise stakeholder returns



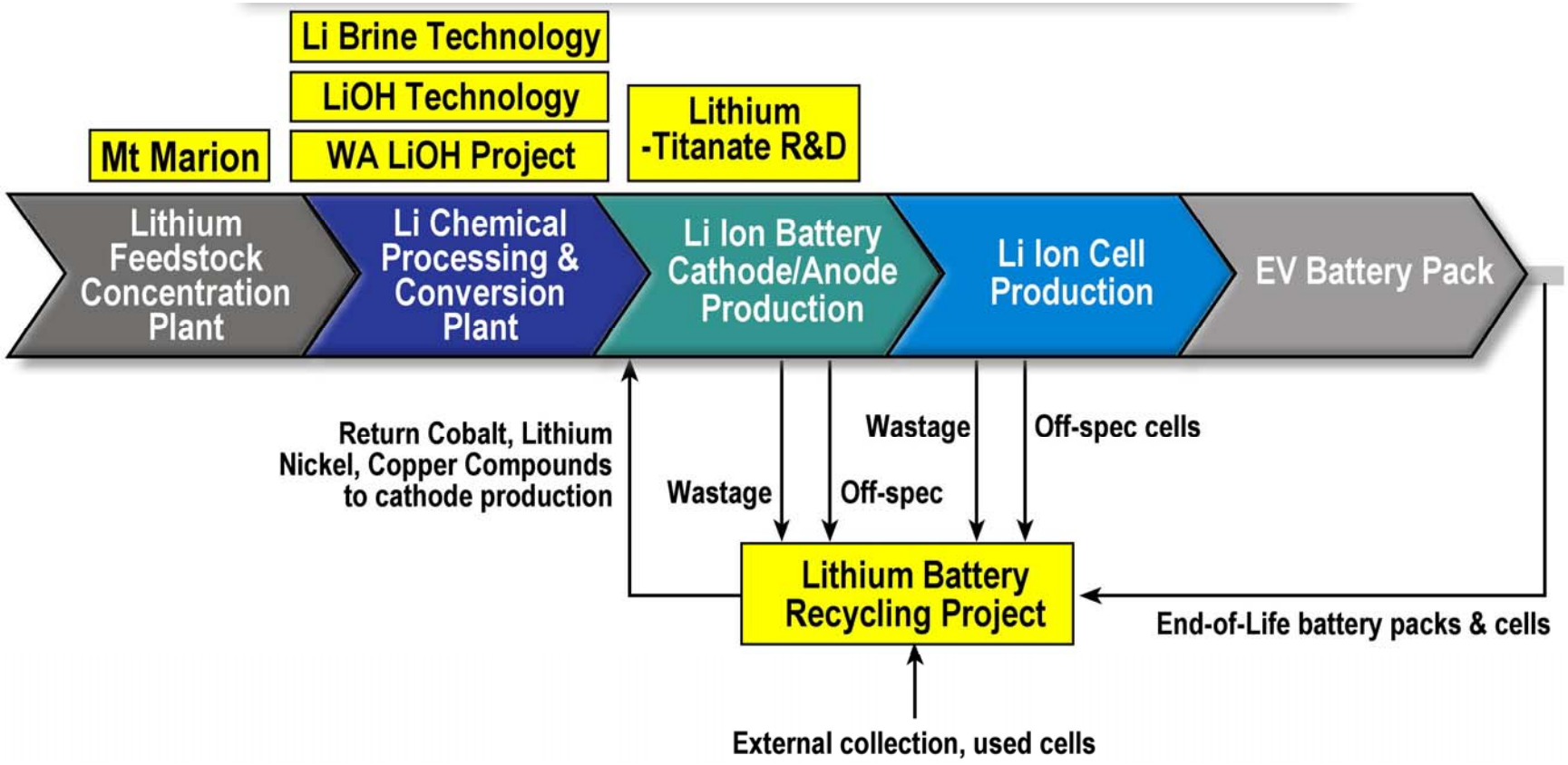
2 cent unfranked div – April ‘16
2 cent unfranked div – Aug ’16
A$5M/5% on market buyback

Focus on Li-Ion Battery Commodities

Element	Ti	Li	Co
Feedstock(s) Source	Barrambie (100%) 47Mt @ 22% TiO_2	Mt Marion (13.8%) 77.8Mt @ 1.37%Li_2O	Lithium Battery Producers Consumer Electronics Electric Vehicles
Upstream Product	+ 40% TiO_2 Concentrate	6% Li_2O Concentrate	Lithium Ion Batteries ≤ 20% Co
Downstream Product/Process	Neomet Process (25%) Titanium Hydroxide $Ti(OH)_4$	ELi™ Process (70%) Lithium Hydroxide LiOH	Unnamed Process (50%) Cobalt Sulfate $CoSO_4$ + Li_2CO_3 Lithium Carbonate
Target Applications	Titanium Pigment Titanate Adsorbent Lithium Titanate Titanium Metal	Lithium Battery Cathode Materials	Lithium Battery Cathode Materials



Our Positions in the Supply Chain



All the right elements

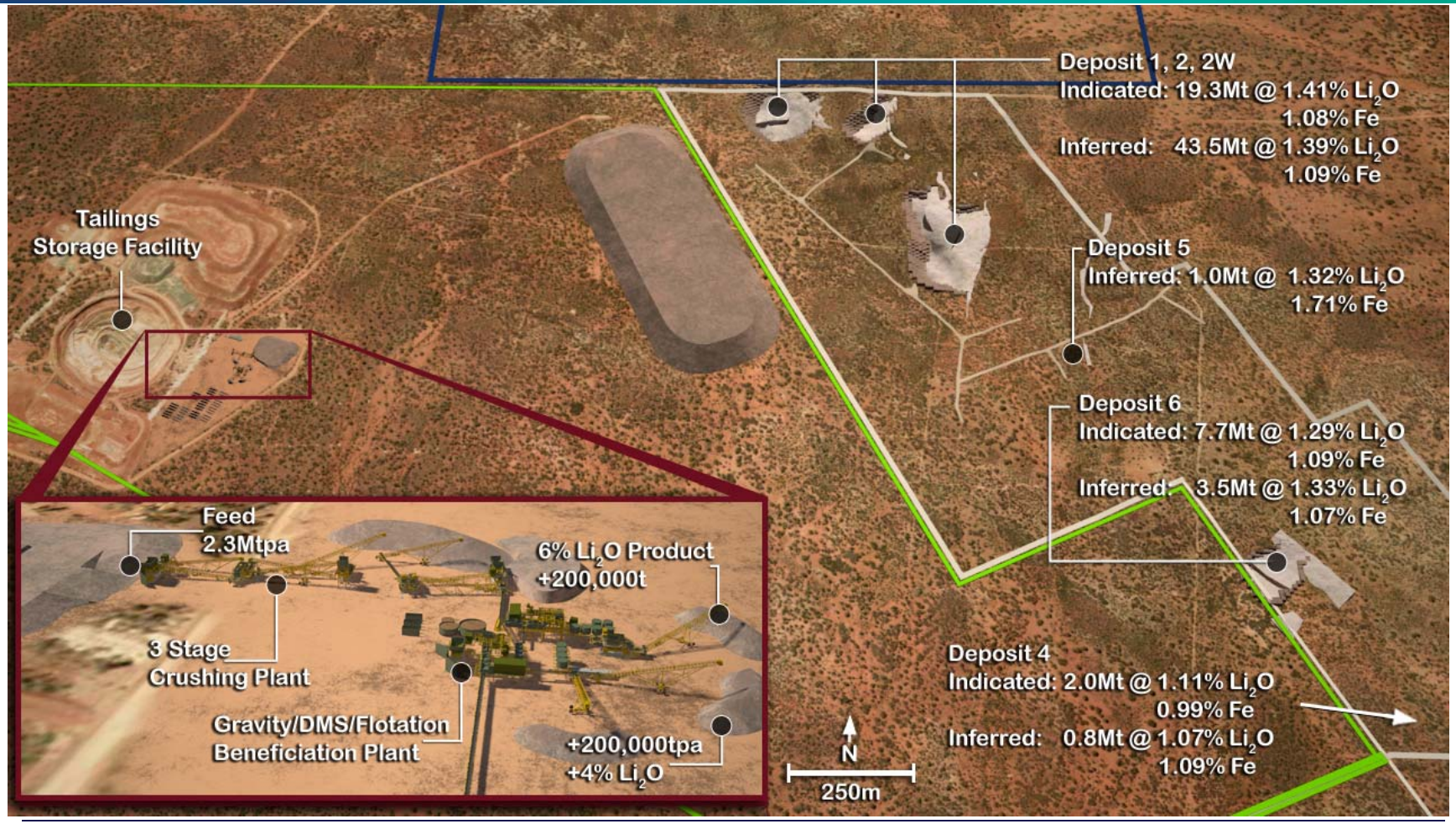
Mt Marion Lithium Operation

Sale process underway for remaining 13.8% equity

World’s largest lithium concentrator

Li

Globally Significant Operation – 400kt concentrates (~50kt LCE)



Neometals

Li + Ti = Nm

Outstanding Offtake Agreement

Li

赣锋锂业
GanfengLithium

- ✓ China's largest, most diverse lithium producer
- ✓ Life-of-Mine, *Take-or-pay* Offtake Agreement
- ✓ From 1 July moving to transparent Lithium Carbonate/Lithium Hydroxide linked formula, with floor price protection
- ✓ Letter of Credit (100% payment on invoice)
- ✓ *Neometals Option to take min 12.37% Offtake of production from 2020 onwards.*

Downstream processing

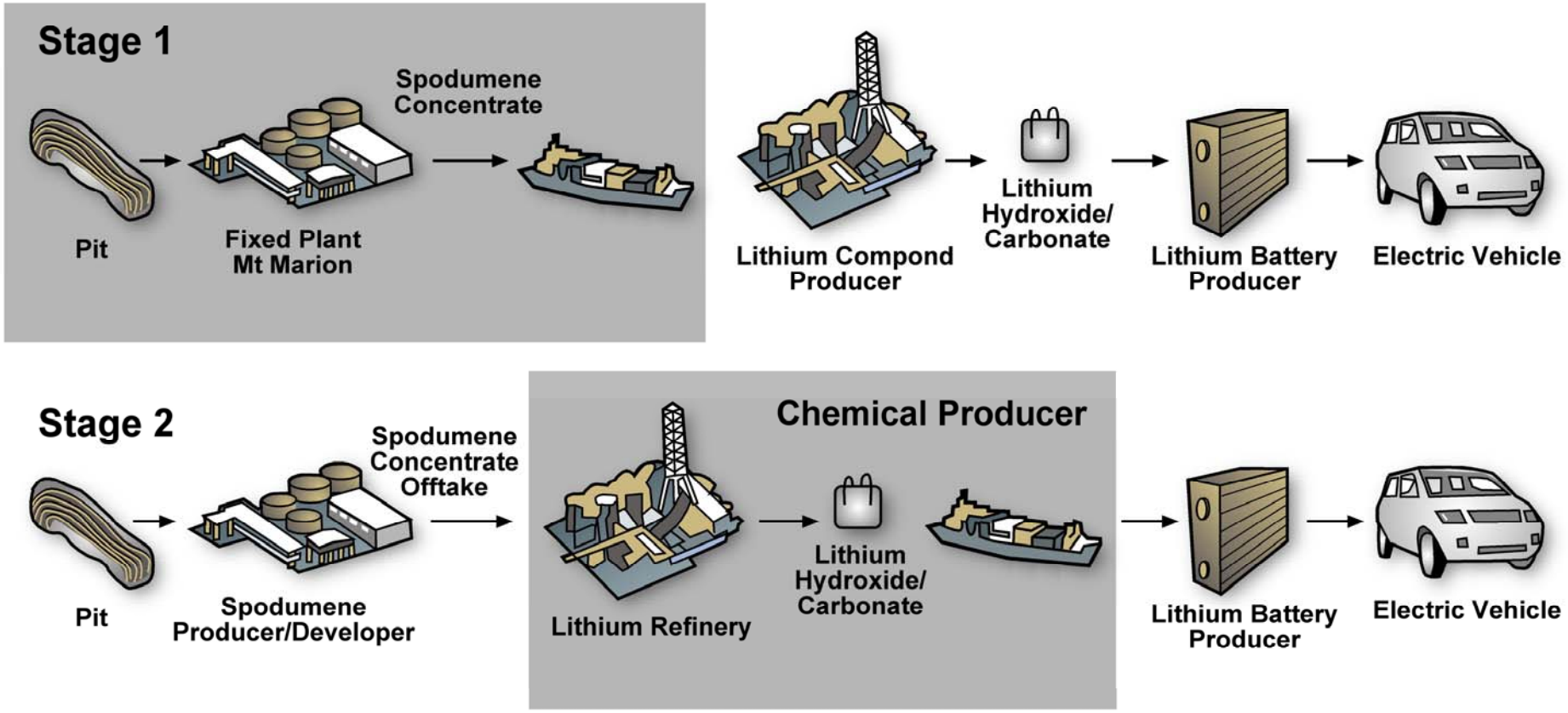
WA-based LiOH Project

Neometals

Ti + Li = Nm

Lithium users **want** $LiOH/Li_2CO_3$ from spodumene converted outside China

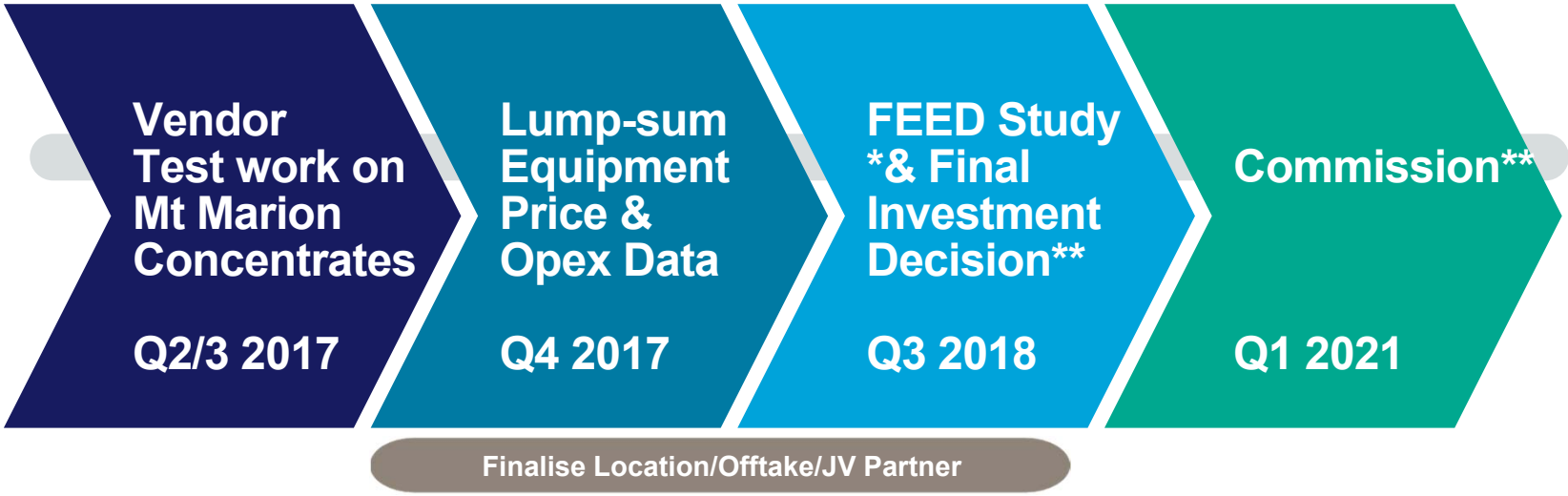
Li



Commercialisation Plan

Li

- Locate plant in WA to minimise transport, 7t spodumene concentrate needed for 1t of Lithium Hydroxide
- Utilise local spodumene (Share of Mt Marion or Third Party), natural gas, reagents and staff
- Use Sulfate/Caustic Flowsheet from leading Lithium equipment supplier
- Remove technology risk – speed to market



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

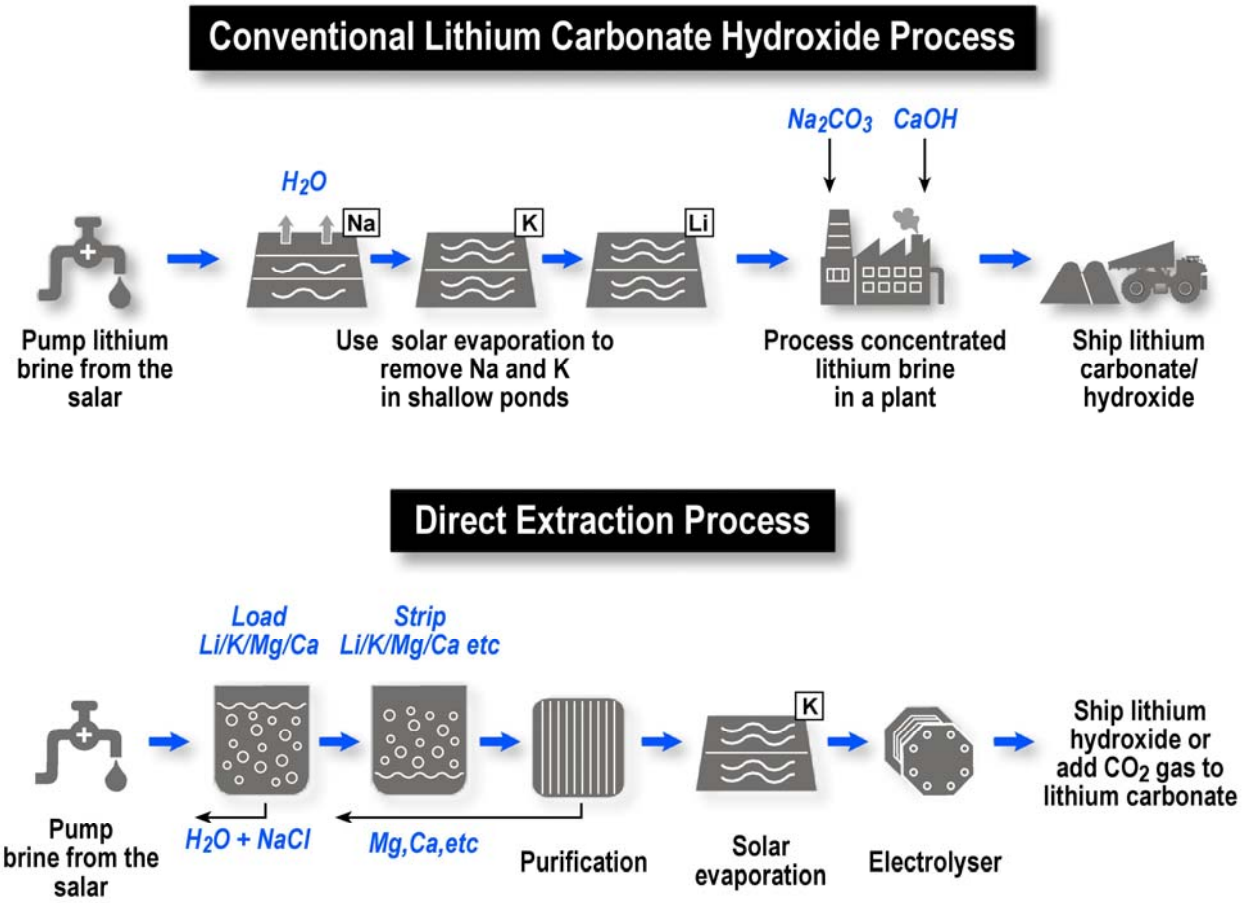
Neometals

Li + Ti = Nm

Downstream processing
Direct Extraction from Brine

100% Neometals

Selective LiCl Extraction from Brine

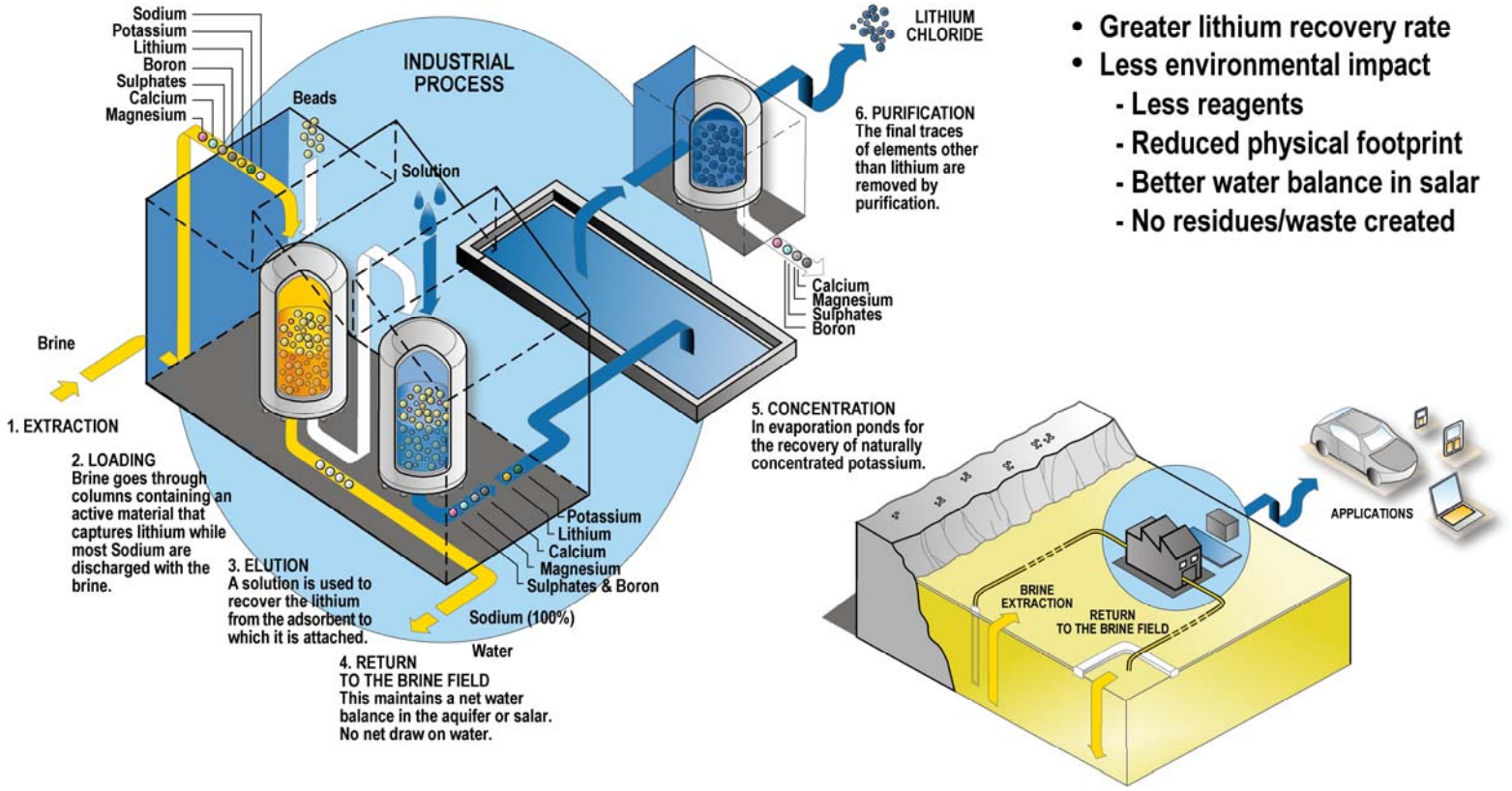


- Pat pending Titanate adsorbent
- Quick load/strip cycle – 30mins
- Complete rejection of sodium
- High recovery of Lithium 53-79%
- Returns water to salar, no evaporation
- Next Step - Proof of Scale

Direct Extraction via Adsorption

Li

Direct Extraction Process is simple, efficient, and more environmentally friendly than conventional evaporation process



- Greater lithium recovery rate
- Less environmental impact
  - Less reagents
  - Reduced physical footprint
  - Better water balance in salar
  - No residues/waste created

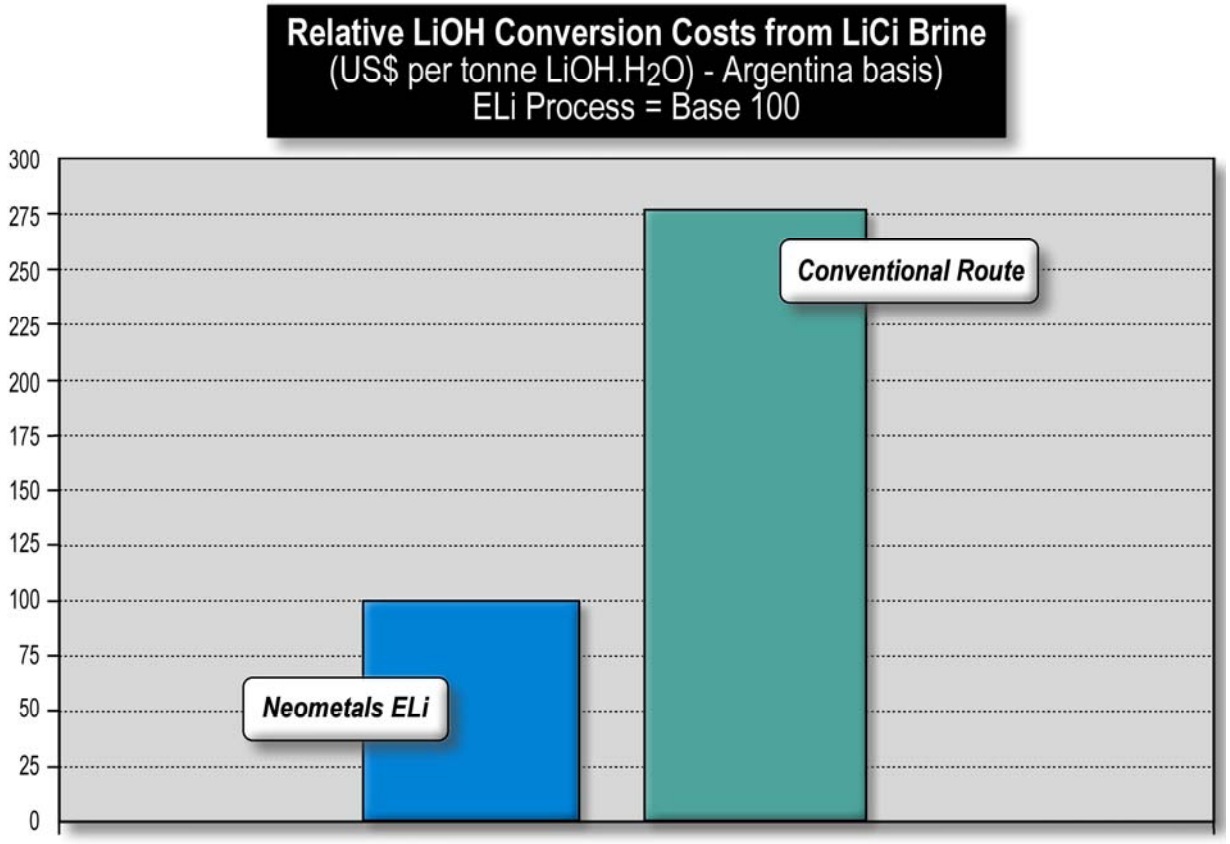
Downstream processing

ELi Process™

Neometals 70%

Mineral Resources Ltd 30%

Patented Process for Conversion of LiCl > LiOH is a potential gamechanger



Business model is to licence to existing brine producers in return for royalty stream:

- De-risks ELi for own use later
- Quicker cashflow
- Higher P/E multiple

*Source: Global Engineering Group (2016) (Identity not for publication)

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Li + Ti = Nm

Co

Downstream processing

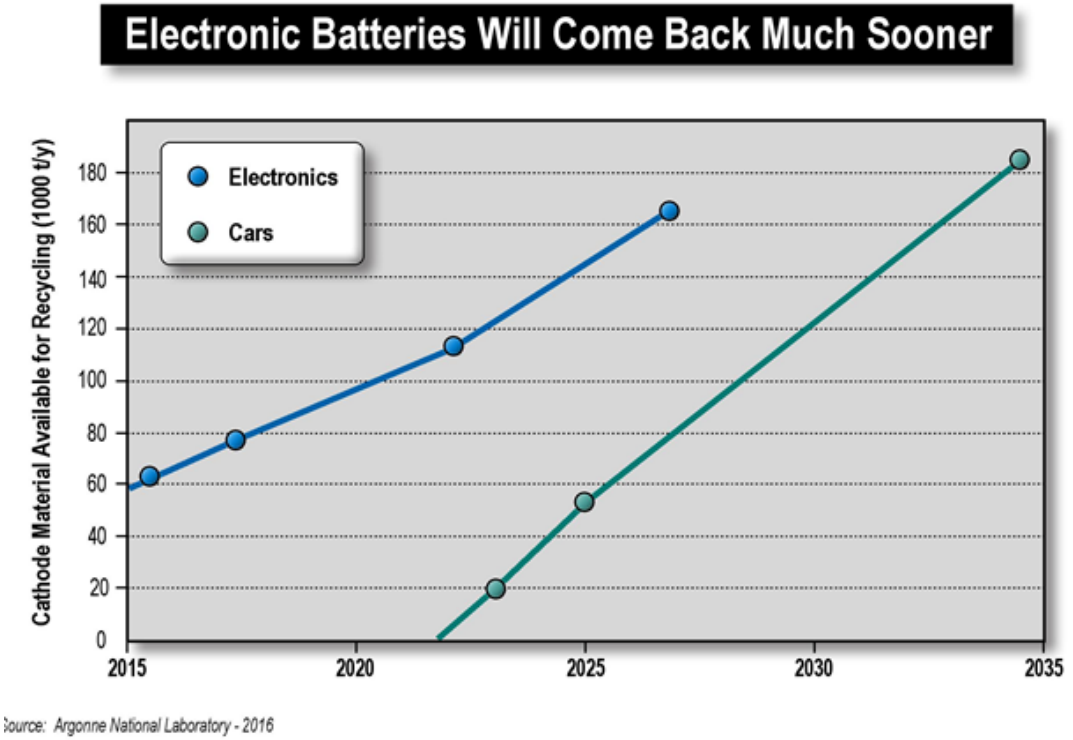
Lithium Battery Recycling

Neometals 50% of IP, Exclusive licence

Lithium Battery Recycling Strategy

Co

Exploiting cost advantage in recovery of Cobalt from Lithium Cobalt Batteries in Consumer Electronics to develop a low-risk, long-life, high-margin operation with strong partners.



Source: Argonne National Laboratory - 2016

Estimated
< 5%
Recyled

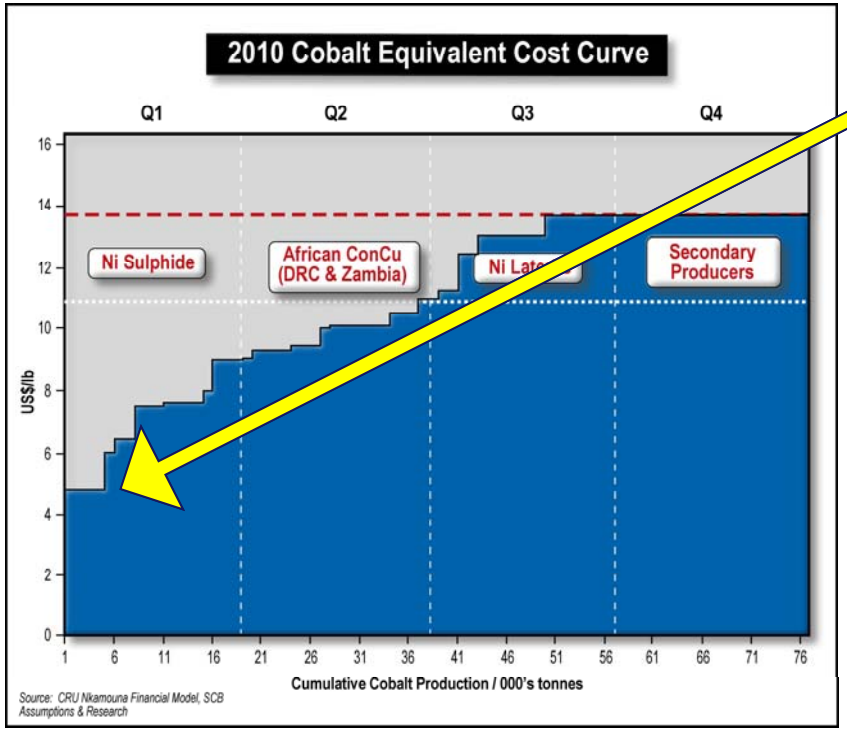
Neometals

Li + Ti = Nm

Scoping Study Results

Co

(± 30% accuracy)

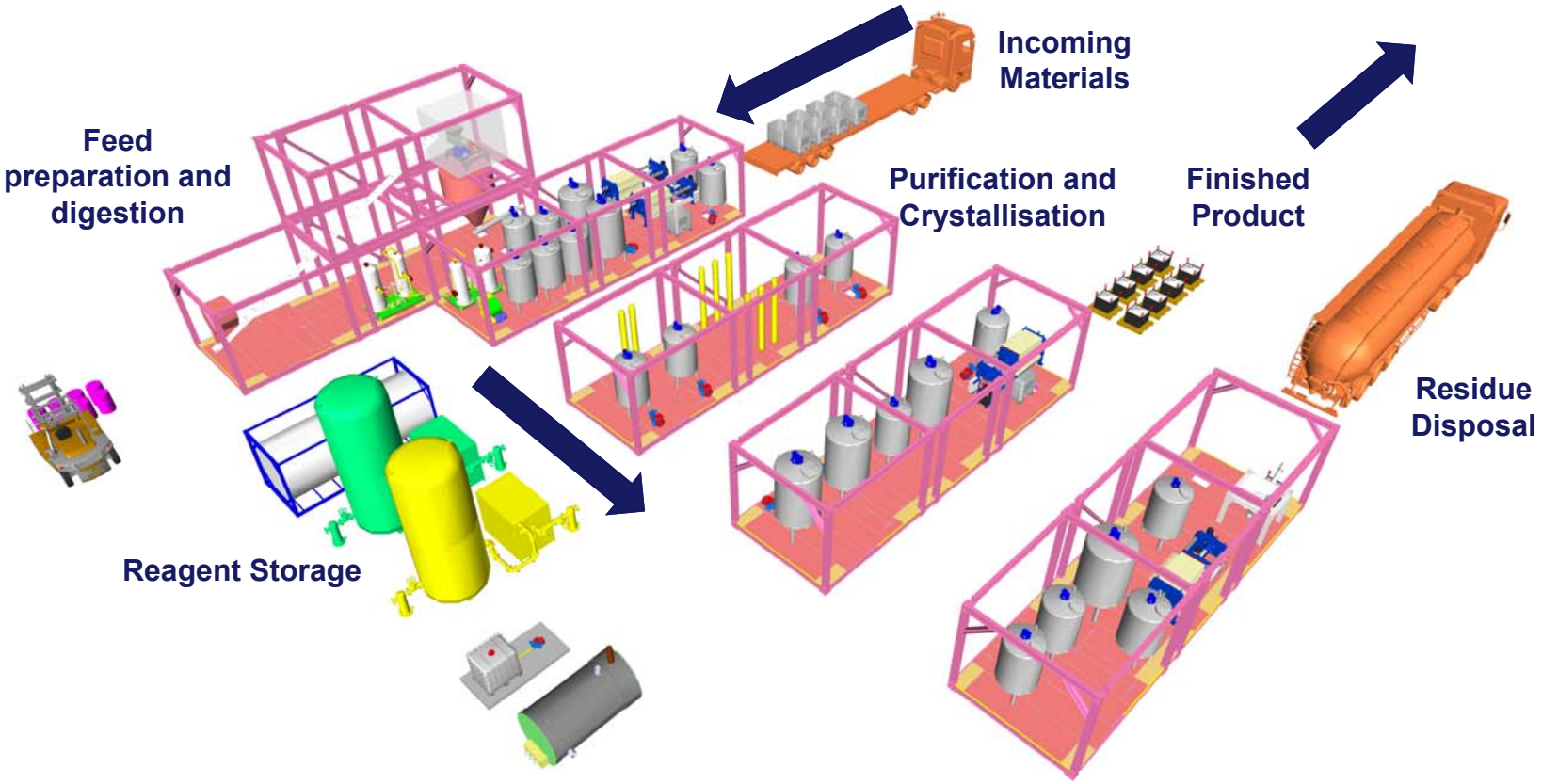


Operating Costs	US$4.45/lb Co (US$10k/t)
Spot price	US$25/lb Co (US$55k/t)
Capex	US$4.5M

Proceeding to pilot plant – Q3 '17

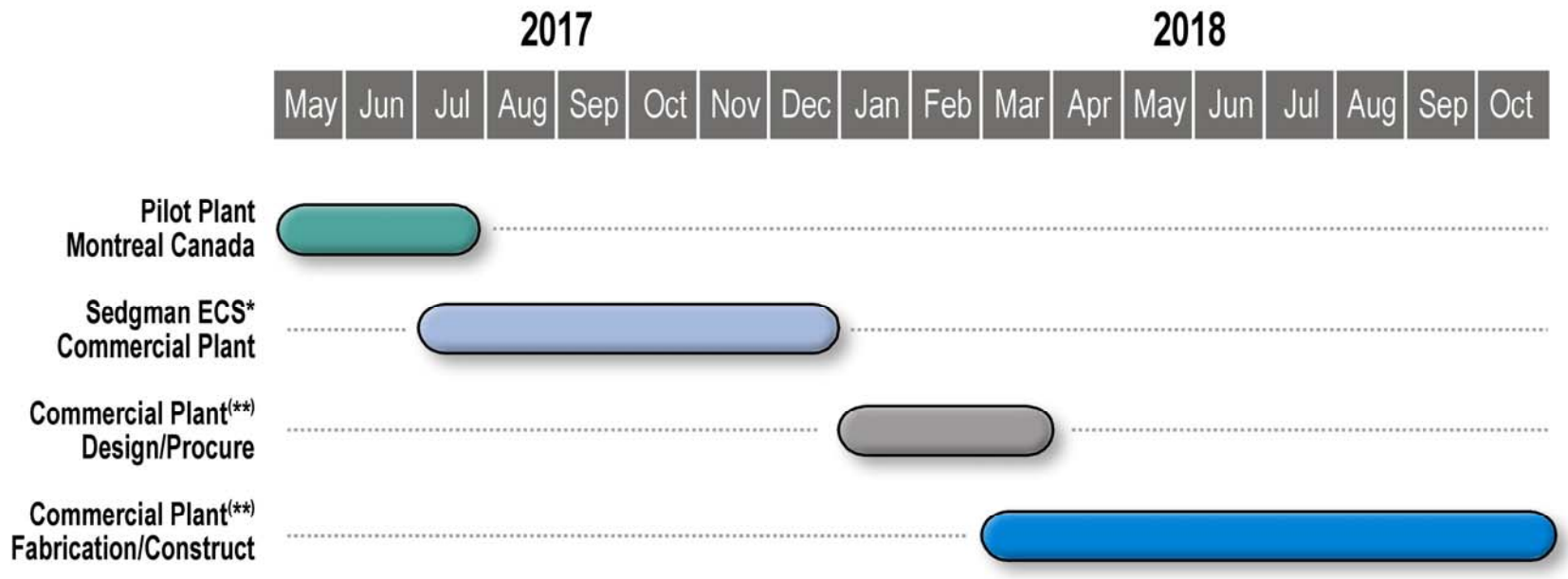
Can be constructed and commissioned in 42 weeks

Commercial Plant Schematic



Plant footprint approx. 30m x 50m

Commercialisation Plan



Source: Neometals 2017 **Subject to Board Aprroval* **Subject to FID*

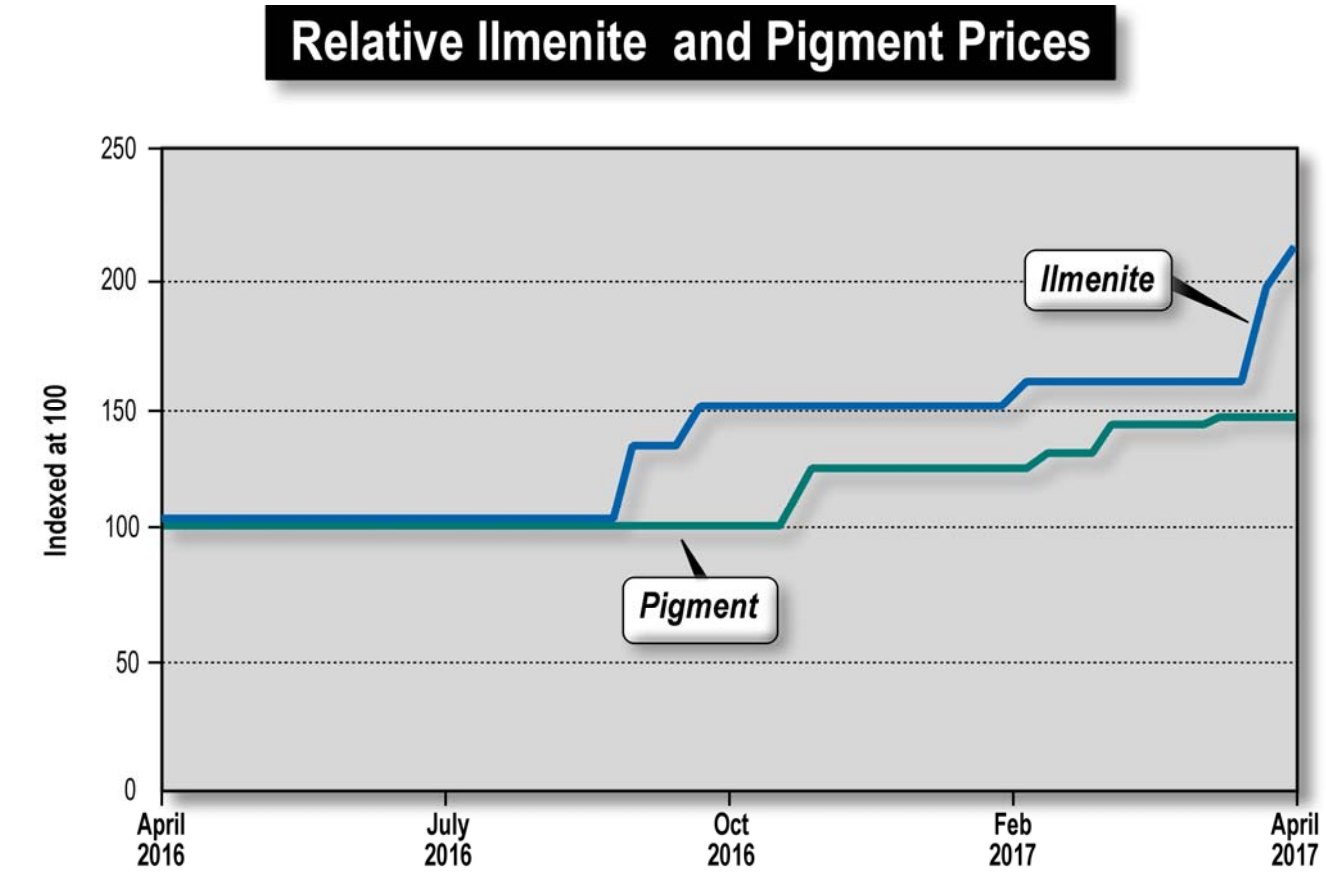
Running Partner/Site Selection Processes in parallel with test work and engineering programs

Barrambie Titanium Project

100% Neometals

Strong demand/supply fundamentals

Ti



Source: Metal Bulletin - 2017

The titanium pigment industry is 10x as large as the lithium compound industry.

Growth = GDP

Globally declining grades and quality

Cost push price inflation

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

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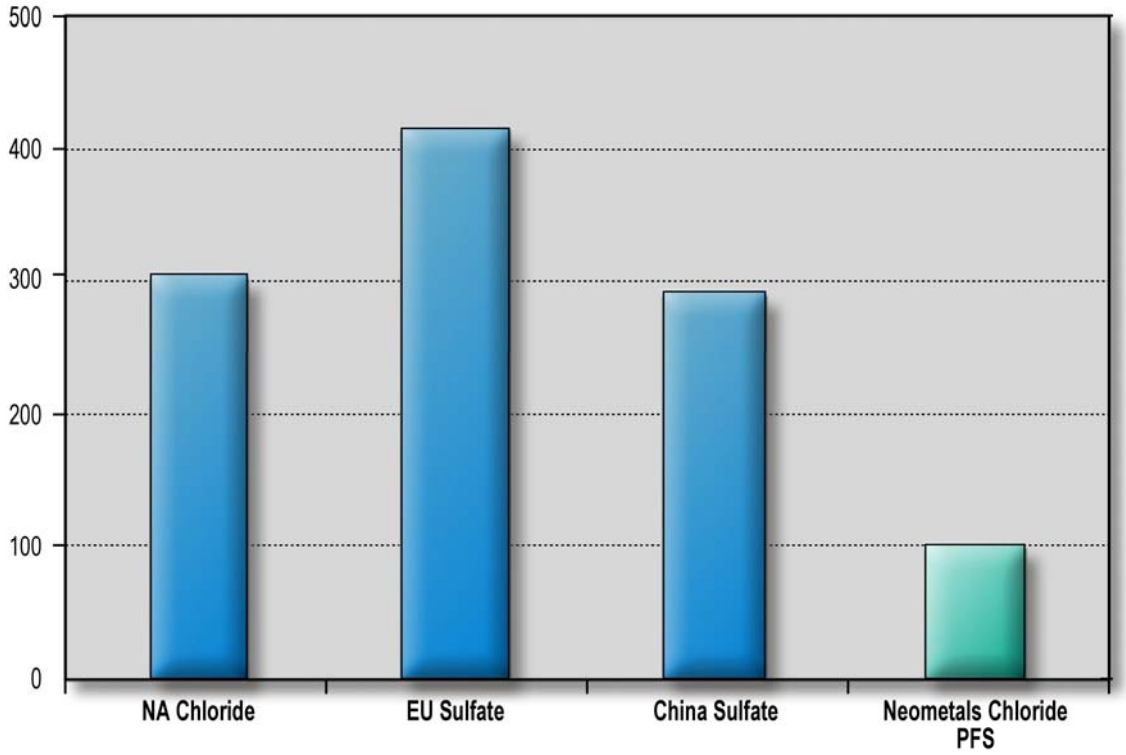
Li + Ti = Nm

Sources: Company Reports

PFS indicated very low Opex using the licenced Neomet Process

Ti

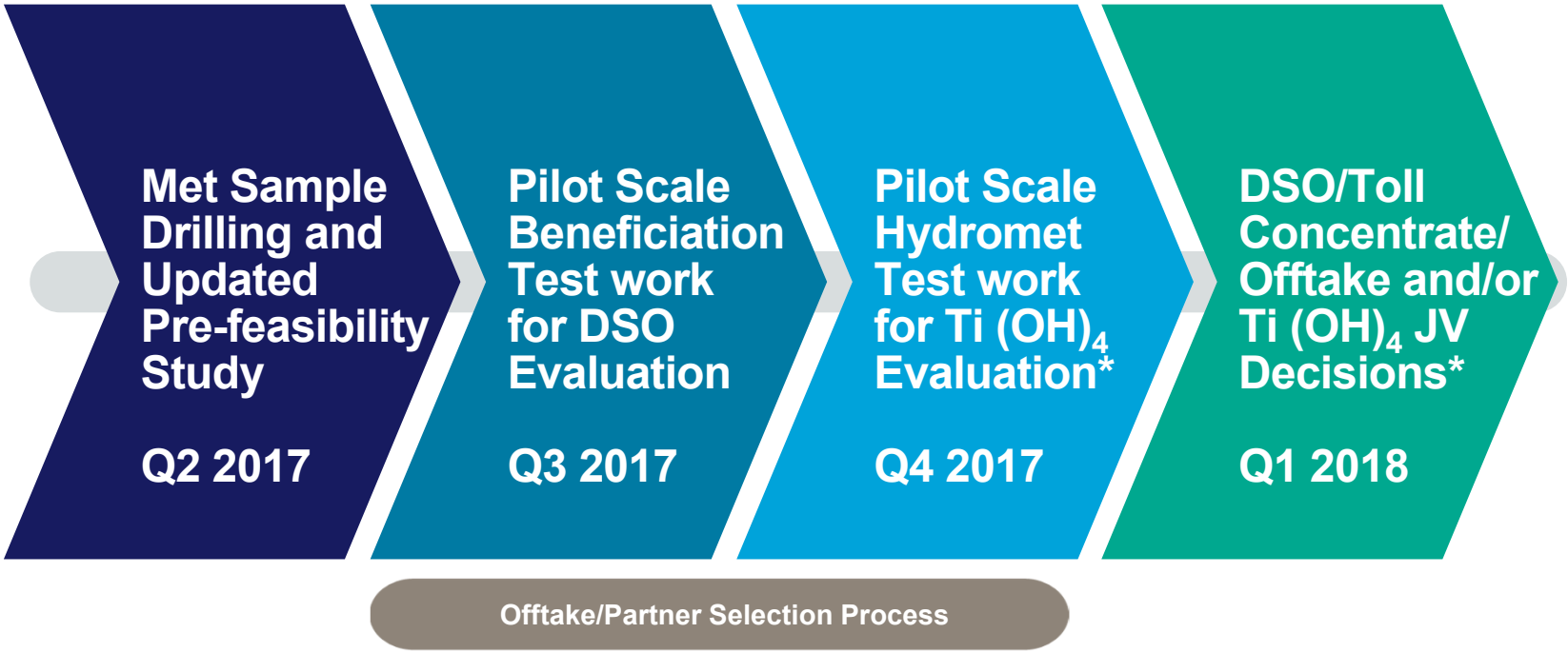
Relative Standard-Plant Cash Operating Costs
(US$ per tonne TiO_2 delivered basis)
Neometals PFS = Base 100



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

Commercialisation Plan

Ti



(*) Subject to Board Approval

Investment Proposition

Lithium: Cash, cashflow & growth options

☑

01

~A$53.5M Cash plus ~A$16.5M in receivables and investments

+

02

Cashflows from 13.8% Mt Marion Or Potential Sale

+

03

Potential to downstream process LiOH. **L**icence ELi to brine/hard rock producers. Li-Ion Battery Recycling Project

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Li + Ti = Nm

Titanium : A growth story for 2018

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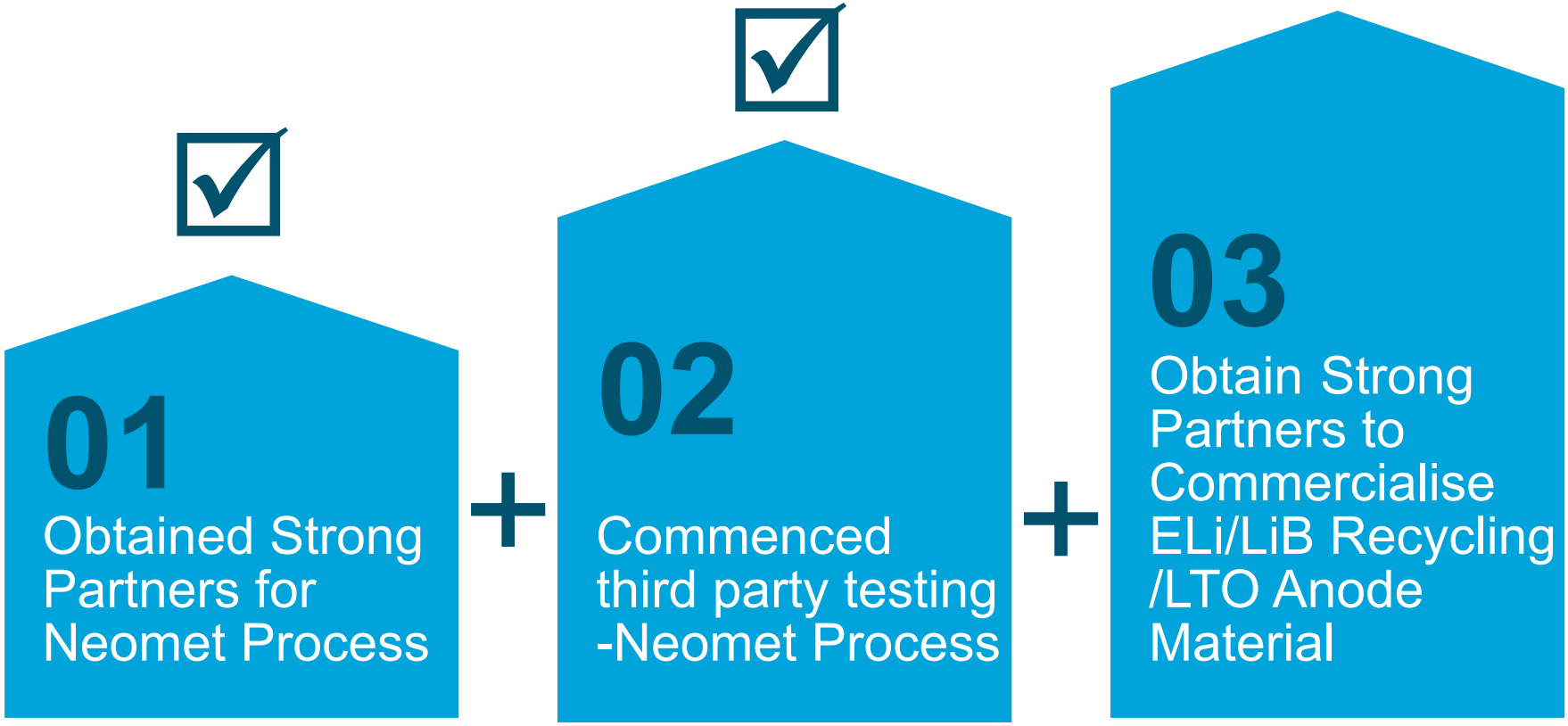
Li + Ti = Nm

Technology : developing a diversified portfolio



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Thank you

www.neometals.com.au

Mineral Resource Estimate

Mt Marion Lithium deposit, as at October 2016, for a block cut-off grade of 0.5% Li_2O

Li

Classification	Deposit	Tonnes (Mt)	Li_2O %	Fe %
Indicated	Area 1,2,2W	19.3	1.41	1.08
	Area 4	2.0	1.11	0.99
	Area 6	7.7	1.29	1.04
Indicated Total		28.9	1.35	1.06
Inferred	Area 1,2,2W	43.5	1.39	1.09
	Area 4	0.8	1.07	1.09
	Area 5	1.0	1.32	1.71
	Area 6	3.5	1.33	1.07
Inferred Total		48.9	1.38	1.10
	Grand Total	**77.8**	**1.37**	**1.09**

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

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 5,600t 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

Mineral Resource Estimate

Barrambie Ti-V deposit, as at September 2015, for a block cut-off grade of 15% TiO_2

Ti

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**

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Li + Ti = Nm

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

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