



Neometals

All the right elements®

Corporate Update Presentation – August 2018
ASX Code: NMT OTC/Nasdaq Intl: RDRUY

Disclaimer

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Summary information: This document has been prepared by Neometals Ltd ("Neometals" or "the Company") to provide summary information about the Company and its associated entities and their activities current as at the date of this document. The information contained in this document is of general background and does not purport to be complete. It should be read in conjunction with Neometals' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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Mount Marion Project: This document contains certain historical and forecast financial and production information regarding the Mount Marion Project and Reed Industrial Minerals Pty Ltd, the owner of the Project (Neometals: 13.8% shareholding). Neometals was not involved in preparing this information, which is taken from a 8 February 2018 announcement by Mineral Resources Limited, the operator of the Project (via its wholly owned subsidiary, Process Minerals International Pty Ltd). However, Neometals is not aware of any reason why that information is incorrect as released by Mineral Resources Limited.

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 "Mt Edwards Nickel - Mineral Resource Estimate", "Barrambie Project - Mineral Resource Estimate", "Barrambie Pre Feasibility Study Results", "Mt Marion Mineral Resource Update 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.

25/08/2015	Barrambie Pre Feasibility Study Results	19/4/2018	Mt Edwards Nickel – Mineral Resource Estimate
27/10/2016	Mt Marion Mineral Resource Upgrade	25/6/2018	Mt Edwards – Mineral Resource Over 120,000 Nickel Tonnes
22/02/2017	Lithium Battery Recycling – Scoping Study Results		
17/4/2018	Barrambie Project – Mineral Resource Estimate		

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.



Overview

- Company Profile
- Company Snapshot
- Long-term Strategy

Who is Neometals Today?

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Neometals is an ASX-listed (ASX:NMT) industrial minerals and advanced materials project development company with a clear growth plan to move downstream and increase margins from its sustainable products and related technologies.



Integrated Lithium Business

- Mt Marion Lithium Mine (13.8%) – a Tier 1 lithium production asset, providing existing cashflow and option to offtake
- Kalgoorlie Lithium Refinery – developing downstream processing of Li products with secure access to concentrate feedstock from Mt Marion
- Mt Edwards (100%) & Mt Holland¹ (36%) – promising lithium exploration projects for future expansion
- Lithium Ion Battery Recycling – commercialising ‘end of life’ battery recycling technology for recovery of critical metals



Developing Titanium / Vanadium Business

- Barrambie Titanium-Vanadium Project (100%) – one of the highest grade hard-rock titanium resources globally
- Associated processing technology assets (e.g. Neomet Process) that have the potential to create new business opportunities by driving down processing costs, de-risking, attracting partners and licensing of revenue royalty streams

Note 1: Held via 706.2m shares in Hannans Ltd.

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Company Snapshot

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ASX: NMT	OTC:RDRUY	
Shares on Issue ¹	m	543.9
Share Price (20-Aug-18)	A\$	0.305
Market capitalisation	A\$m	165.9
Cash (30-Jun-18)	A\$m	(30.4)
Debt (30-Jun-18)	A\$m	-
Investments (30-Jun-18) ²	A\$m	(14.3)
Enterprise Value	A\$m	115.8

Major Shareholders (21-Aug-18)	
David Reed (Non-Executive Director)	9.0 %
Global X Lithium ETF	2.8 %
Top 20	36.2 %

Note 1: Excludes 7.0m performance rights.
 Note 2: Loan receivables and investments
 Source: Bloomberg as at 20-Aug-18.



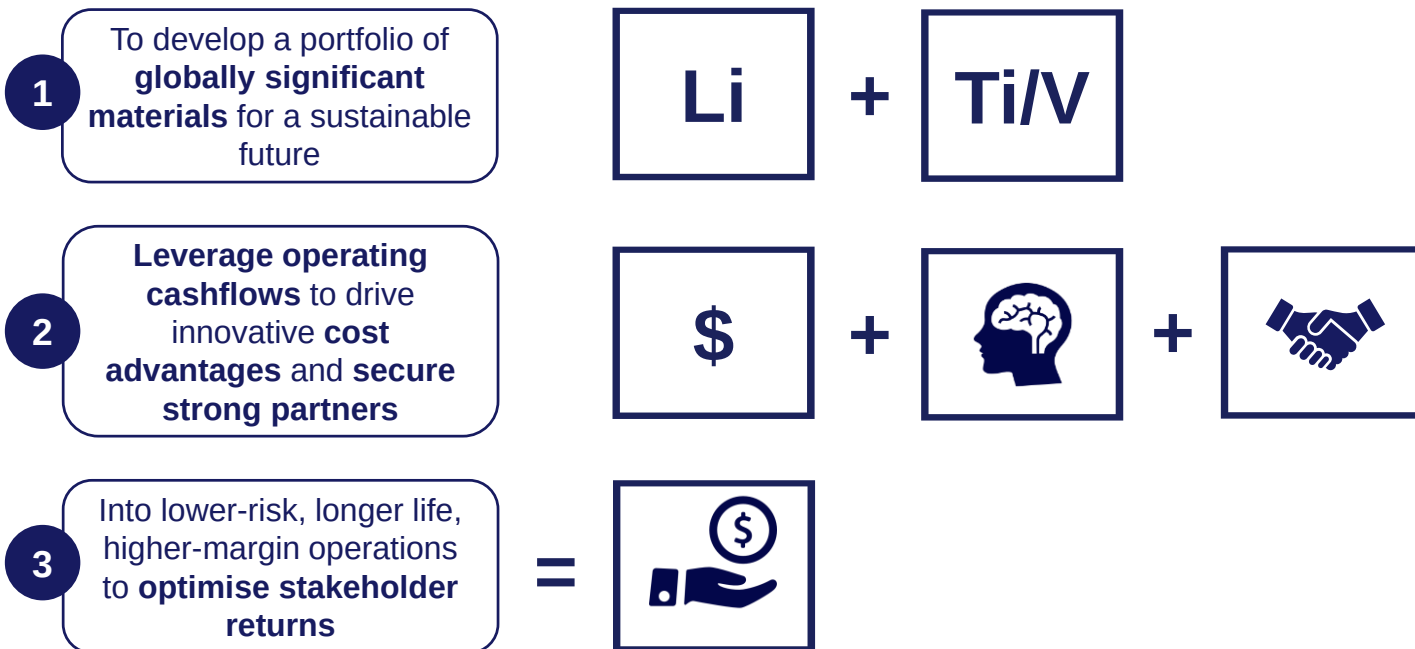
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Long-term Strategy

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Over the last 3 financial years, Neometals has returned ~A\$28m in 3 consecutive dividends and ~A\$6m in an on-market share buyback.



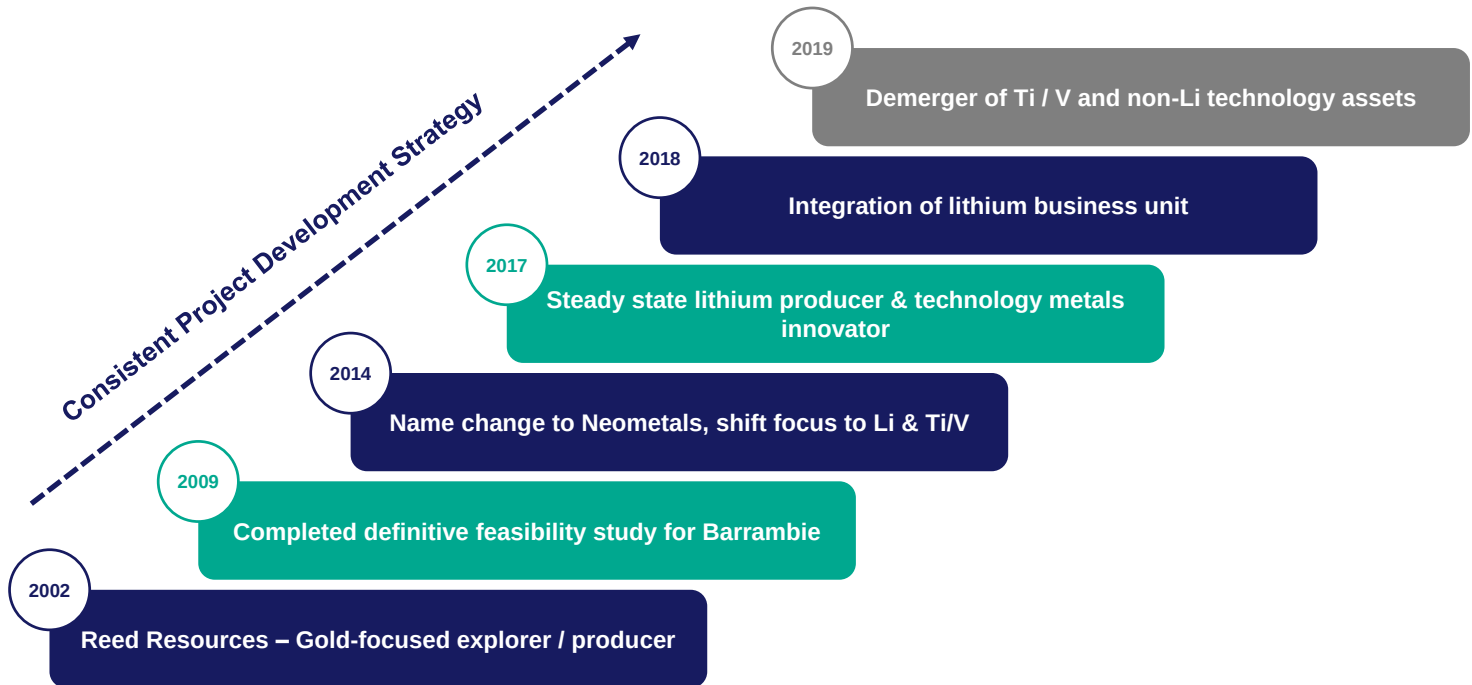
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Li + Ti/V = Nm

Strategy Evolution

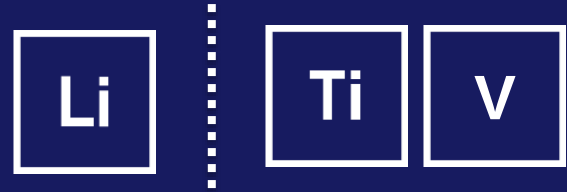
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Neometals has a proven project development track record. The proposed demerger will create two project development companies with separate commodity focuses.



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Demerger

- Highlights
- Structure Overview

Demerger Overview

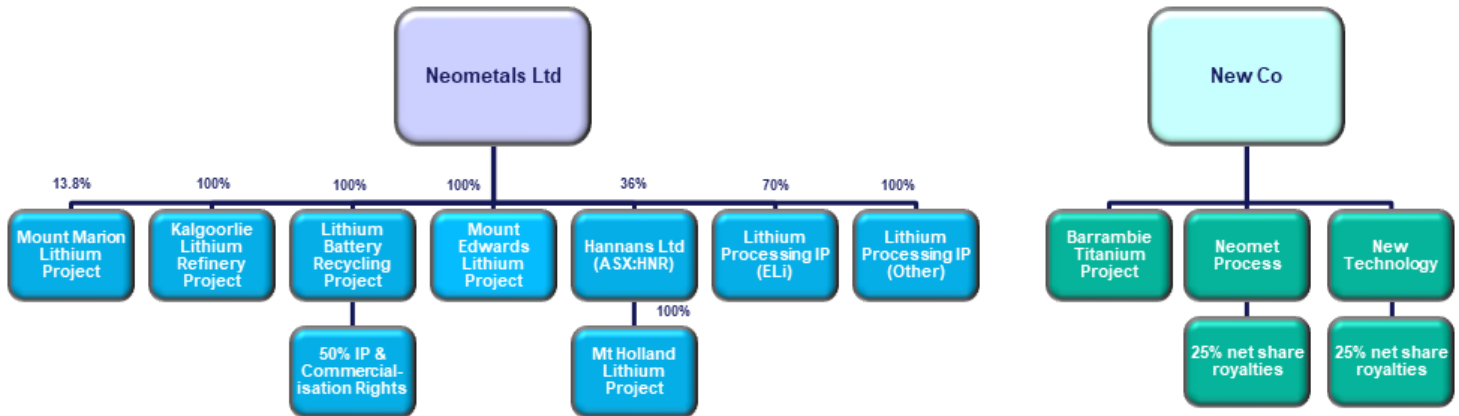
The logo consists of the letters 'Nm' in a white, sans-serif font, enclosed within a white square border.

Neometals plans to demerge its Barrambie Titanium-Vanadium Project (“Barrambie”) and associated technology assets into a new ASX-listed company (“NewCo”).

- Neometals to demerge Barrambie and associated non-lithium technology assets, subject to shareholder and third-party approvals
- Neometals to focus on developing its fully-integrated lithium business, underpinned by offtake rights to Mt Marion lithium concentrate
- NewCo to focus initially on execution of a ‘DSO’ strategy for the initial development of Barrambie, with continued evaluation of subsequent on-site concentrate and/or chemical production
- Neometals shareholders to receive shares in NewCo via an in-specie distribution
- Shareholders will retain Neometals shares held and will be issued a proportionate number of NewCo shares i.e. hold the same percentage of NewCo as they currently hold in Neometals
- ATO Class Ruling being sought to ensure in-specie distribution of NewCo shares will qualify for demerger tax relief (i.e. CGT rollover)
- The demerger is expected to be completed in the March 2019 quarter, subject to approvals
- Notice of Meeting to outline demerger specifics

Post-Demerger Structure Overview

Two focused entities will be created through the demerger.





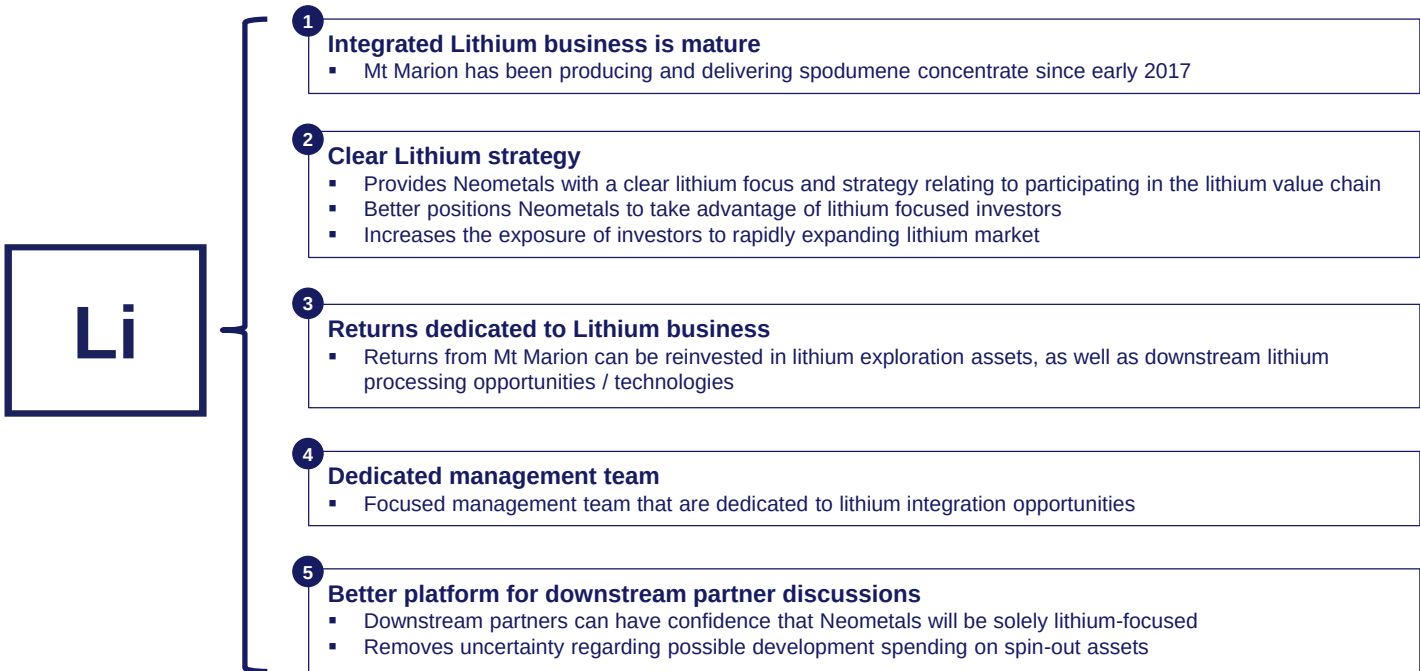
Neometals – Integrated Lithium Business

- Mt Marion Lithium Mine
- Kalgoorlie Lithium Refinery Project
- Mt Edwards Lithium Exploration Project
- Lithium Ion Battery Recycling Project

Neometals – Value Proposition

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The proposed transaction will see Neometals continue to aggressively pursue development of multiple positions in the lithium supply chain.

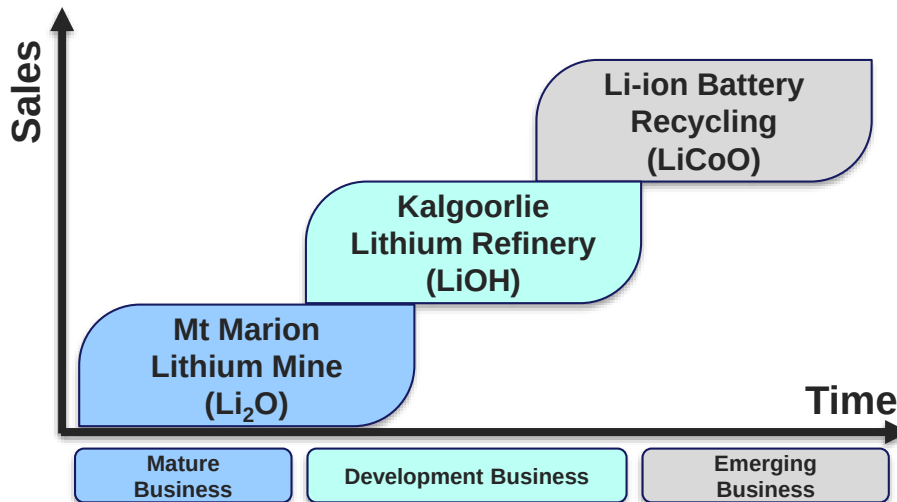


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Integrated Lithium Strategy

Neometals' integrated lithium strategy is based on (1) mining and producing spodumene concentrate, (2) refining spodumene to lithium compounds, and (3) recycling lithium batteries to recover battery metals.



- Downstream integration substantially enhances cost competitiveness
- Downstream processing multiplies the value of lithium units
- By creating the highest-margin, sustainable integrated lithium business, Neometals can be exposed to Li unit 'cradle to grave'

Mt Marion Lithium Mine



The Mount Marion Lithium mine is a tier one, hard-rock lithium production mine located ~40km south west of Kalgoorlie, Western Australia.

- Owned by Reed Industrial Minerals (“RIM”)
 - RIM’s shareholders are NMT (13.8%), PMI (a subsidiary of Mineral Resources, 43.1%) and Ganfeng Lithium (43.1%)
- Open cut mine with concentrator – currently processing 2.4 Mtpa
- Produced ~428kt of spodumene concentrate (6% and 4% Li₂O products) in FY18
- Concentrator is currently being upgraded to produce 450ktpa of 6% Li₂O concentrate
 - Upgrade expected to be complete Q4 CY18
- Ganfeng currently offtakes 100% of concentrate produced (exported via port of Kwinana)
- From Feb 2020, Neometals has a binding option to off-take from Mt Marion (~12.4% of production)

Mt Marion Mineral Resources Table (12 Oct 17)

	Tonnage (Mt)	Li ₂ O (%)	Contained Li ₂ O (kt)	Fe (%)
Indicated	28.9	1.35	390	1.06
Inferred	48.9	1.38	675	1.10
Total	77.8	1.37	1,065	1.09

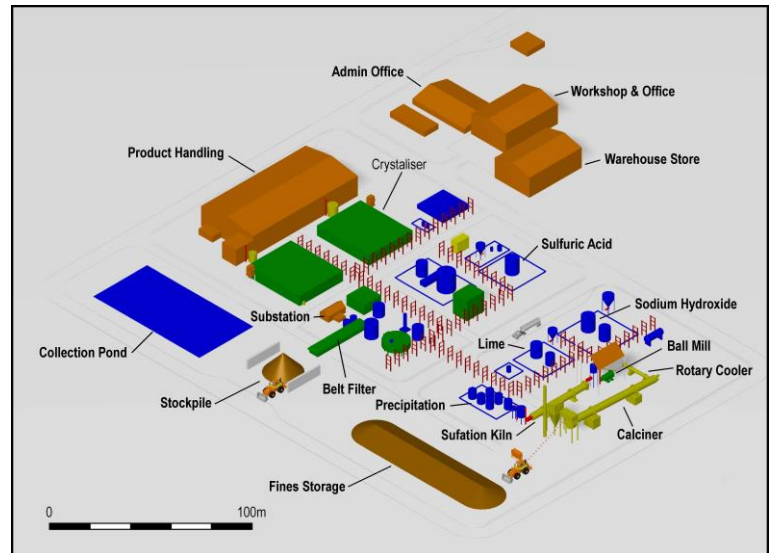


Kalgoorlie Lithium Refinery

Li

Neometals is progressing technical and commercial feasibility of a lithium chemicals refinery in Kalgoorlie, with an initial production capacity of 10ktpa of LiOH.

- Propose to utilise a modern, conventional direct-conversion sulphate process to produce battery quality LiOH monohydrate from spodumene concentrate
- The Refinery will initially be fed with Neometals' future share of offtake from Mt Marion
- Successful vendor process flowsheet testing completed by Veolia Water Technologies:
 - run-of-mine Mt Marion sample produced 99.99% pure battery grade LiOH at high recovery rate
 - proposed process route similar to commercial method successfully exploited by Ganfeng
- PFS completed in April 2018
- M+W Group appointed to conduct a FEED Study (currently underway), with Definitive Feasibility Study to be completed Q1 CY19



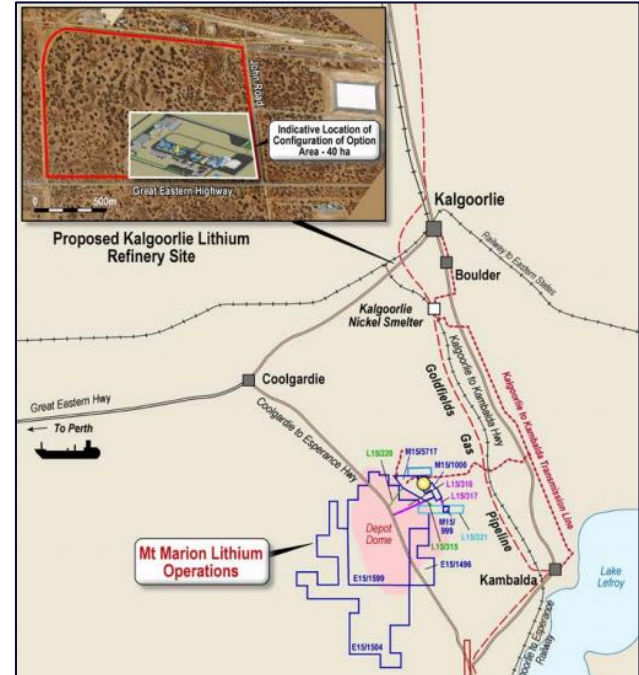
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Kalgoorlie Lithium Refinery

Li

- Proposed site located 5km from Kalgoorlie township, 70km by road from Mt Marion:
 - Neometals granted 2 year option to lease 40 hectare site (with provision for 2 year extension)
 - Cornerstone tenant in new industrial estate
 - Favourable leasing rates versus alternative sites such as Kwinana
- The City of Kalgoorlie-Boulder will provide road access and reclaimed water to the site, and assist in procurement of infrastructure and utilities, including grid power and natural gas
- Kalgoorlie is a favourable location:
 - Large and skilled workforce
 - Proximal to mine to reduce transportation of waste
 - Access to all key reagents, including sulfuric acid
 - First class road and rail infrastructure connecting to multiple open-access ports
 - Significant land available for Refinery expansions



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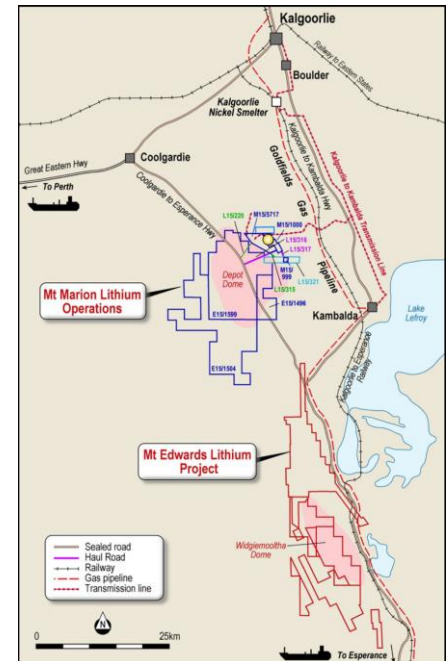


Mt Edwards Lithium Project



Neometals recently completed the Mt Edwards lithium project acquisition from Estrella Resources.

- Brownfields lithium exploration project
- Located 80km south of Kalgoorlie, and 40km south of the Mt Marion lithium mine
- Tenements cover area of 240km² across the highly prospective Widgiemooltha Dome
- Historical exploration confirms the presence of multiple fertile lithium-caesium-tantalum pegmatites
- Project has access to sealed roads and developed rail and energy infrastructure
- Tenements also prospective for nickel - current Indicated and Inferred Mineral Resource of 7.39Mt @ 1.7% Ni for ~123.3kt contained Ni



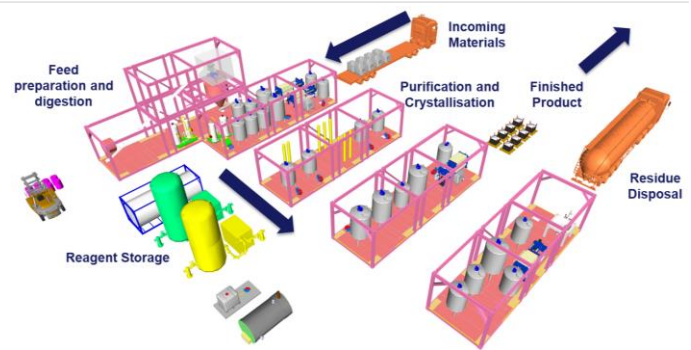
Lithium Battery Recycling



Neometals is co-developing a sustainable technology to economically recover critical metals from spent lithium ion batteries.

- Regulation driving ethical sourcing and disposal of lithium ion batteries
- Urban mining opportunity to secure critical metals otherwise going to waste
- **Cobalt supply chain under stress** due to increased demand from battery industry and supply chain dominated by co-production and high sovereign risk sources
- **Less than 5% of used Li-ion batteries are recycled**
- Scoping Study completed in 2017 indicated potential for a viable processing to initially recover saleable Cobalt product
- Development has progressed to flowsheet designed to recover multiple critical metals from spent batteries
- Pilot plant nearing the end of commissioning in Montreal and FID on commercial 10tpd plant to follow in mid-2019

Proposed Plant Schematic





NewCo – Titanium- Vanadium and Non-Lithium Technology Assets

- Barrambie Titanium / Vanadium Project
- Neomet Process

NewCo – Value Proposition

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NewCo will be a newly created ASX-listed company containing the Barrambie Titanium-Vanadium Project and related technology assets.

Ti/V

- 1 Platform to attract fair value for Ti / V / technology assets**
 - Neometals believes that Barrambie and the associated non-lithium technology assets are not attracting fair value while housed in the current corporate structure
- 2 Global supply shortages for Ti and V**
 - There is a global supply shortage of high-grade titanium and vanadium feedstocks relative to strong demand from established supply chains in China and robust commodity pricing
- 3 Access to existing Neometals leadership & proven project development strategy**
 - NewCo will have access to expertise from Neometals management who have a proven track record in project development
- 4 Access to new dedicated team**
 - Greater focus by management and targeted investors for spin-out assets
- 5 Protection from opportunistic takeover**
 - Avoids risk of spin-out assets not being appropriately valued in the event of an unsolicited NMT corporate transaction
- 6 New shareholder base & valuation**
 - With a new shareholder base, and the ability to be independently valued by the market, NewCo can unlock the full value of its assets for the benefit of its shareholders

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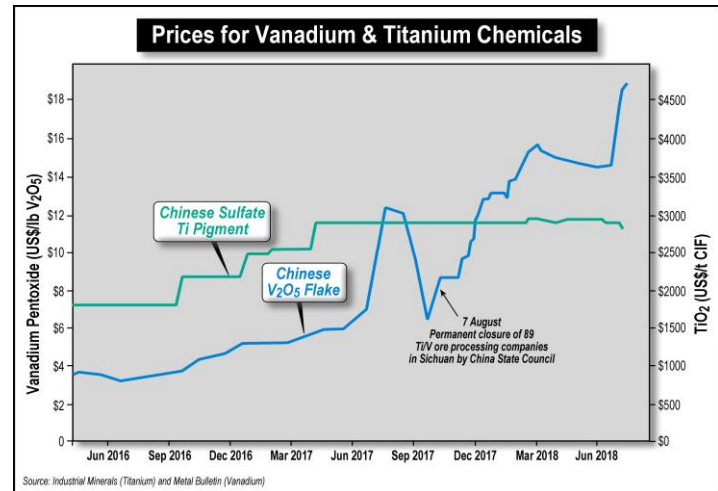
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Titanium & Vanadium Market Overview

Ti

V

- Market backdrop for titanium and vanadium is strong
- Titanium **pigment producers facing shortage** of high-grade titanium feedstocks due to **declining supply** from Australia, Canada and South Africa
- Price of rutile concentrate min 95% TiO_2 bulk CIF China rose to US\$950-1,100 per tonne on 5 July from US\$850-950 per tonne a week earlier
- FOB China price for V_2O_5 (min 98%) has **continued to rise due to tight supply conditions and Chinese environmental regulations**
- Minimum 98% V_2O_5 reached US\$18.50-19.00 per pound in mid-July
- Anticipated that prices will continue strong run with supplier inventories at low levels and traders unable to restock at current prices



Source: Metal Bulletin (17-Jul-18), Industrial Minerals (19-Jul-18).

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Barrambie Titanium / Vanadium Project



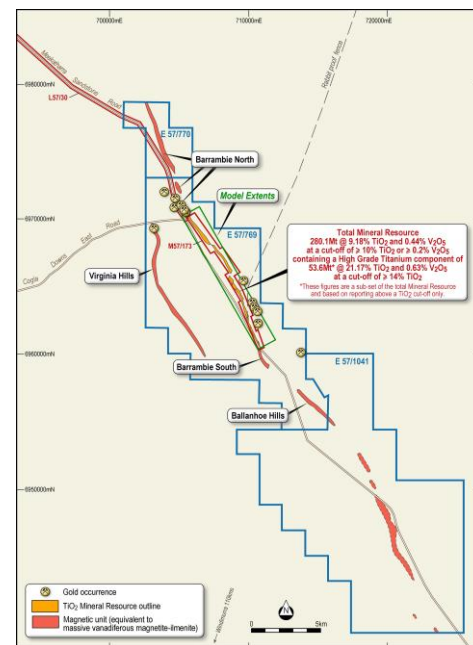
One of the highest grade hard rock titanium assets in the world, with a discrete high grade zone of 53.6Mt @ 21.2% TiO_2 ¹ sitting within a global Resource of ~280Mt @ 9.2% TiO_2 .

- Located 115km south-east of Meekatharra, WA
- DFS completed and vanadium mining permit secured in 2009
- Eastern and Central deposits are markedly higher grade, consisting of a Resource of 53.6Mt @ 21.2% TiO_2 ¹

Development Plan

- **Phase 1:** DSO investigation for toll beneficiation and smelting in China. Initial met results on 40t bulk sample from show potential for simple flowsheet to produce high grade titanium, vanadium and iron with good recoveries
- **Phase 2:** onsite processing options continue to be evaluated:
 - 2009 primary vanadium project DFS to be updated
 - Ongoing test-work related to 'Neomet' process

	Tonnage (Mt)	TiO_2 (%)	V_2O_5 (%)
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	280.1	9.18	0.44



Note 1 – The high grade titanium figures are a sub-set of the Total Mineral Resource provided above. Refer to Neometals ASX release dated 17th April 2018

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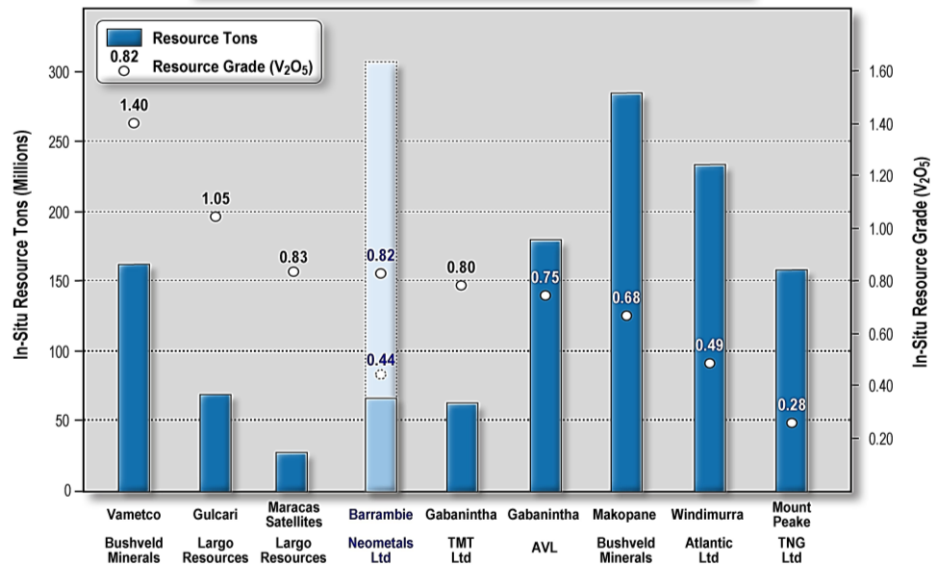


A Globally Significant V Resource

Ti

V

Vanadium Resource Company Peer Comparison
In-Situ Resource Tons and Grade



Source: Australian Vanadium

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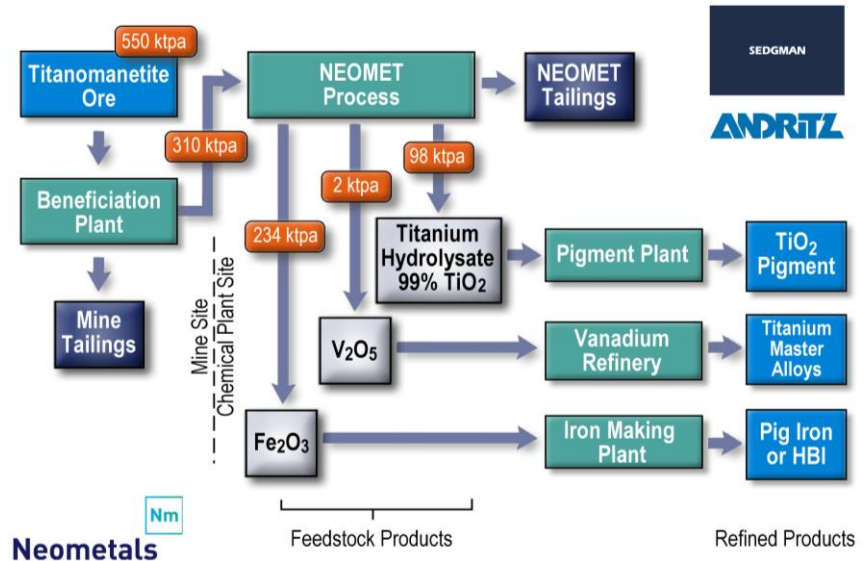
Li + Ti/V = Nm

'Neomet' Processing Technology

Ti

V

- **Patented process** being co-developed in Neometals' Montreal laboratory
- **Commodity agnostic** – developed in Canada for Ni-laterites, in use commercially for treating refractory copper-gold concentrates
- **Strategic alliance with Sedgman Limited** to provide the platform for the commercialisation of the technology
- Strategy is to **develop and hold a portfolio of royalty interests from sub-licencing the technology** (potential deployment for Phase 2 of the Barrambie Project)
- First sub-licence issued in Q3 CY17
- Pilot trial on Barrambie feed planned 1H CY19 following Li-ion battery trial



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$$\boxed{\text{Li}} + \boxed{\text{Ti/V}} = \boxed{\text{Nm}}$$

Combined Company Highlights

- Tier-one assets in globally relevant commodities
- Team with exploration, development and production experience to deliver
- History of de-risking with strong partners and diversified assets
- Margin improvement strategy via downstream integration and technology solutions
- Secure sources of 'feed' for downstream operation
- Clear path to growth
- Building long term businesses - methodical, stepwise approach that leverages on proven track record
- Enabler of products for sustainable future

All the right elements

