



MT EDWARDS NICKEL DEMERGER UPDATE

HIGHLIGHTS

- **Widgie Nickel Demerger timetable confirmed with Demerger documents to be lodged imminently**
- **Independent highly skilled Board and management team secured to run Widgie Nickel**
- **Neometals shareholders to receive In-Specie Distribution of Widgie Nickel shares and have an ability to increase exposure by way of an Entitlement Offer**
- **Advanced discussions with proposed underwriter for the \$24 million Entitlement Offer**

Neometals Ltd (ASX: NMT) ("**Neometals**" or "**the Company**") is pleased to provide an update in relation to the proposed demerger of the Company's Mt Edwards nickel project ("**Mt Edwards Project**") into a dedicated ASX listed nickel exploration and development company to be called Widgie Nickel Limited ("**Widgie Nickel**") ("**Demerger**").

Following receipt of the ASX in-principle approval for Widgie Nickel to list, Neometals will shortly lodge a notice of meeting ("**NoM**") seeking approval for the Demerger along with a short form prospectus relating to the in-specie distribution of Widgie Nickel shares to eligible Neometals shareholders. The NoM will contain all relevant information for shareholders to assess the Demerger, including the advantages and disadvantages, conditions, key risk factors and relevant dates.

If the Demerger conditions are satisfied, Neometals will distribute 100% of the Widgie Nickel shares on issue to eligible Neometals shareholders via a capital reduction and in-specie distribution of those shares, pro rata to their shareholding in Neometals as at 26 August 2021.

Eligible Neometals shareholders will receive 1 ordinary share in Widgie Nickel for approximately every 4.218 shares held in Neometals ("**In-Specie Distribution**").

Widgie Nickel also proposes to complete a \$24 million fundraising via an underwritten, non-renounceable pro rata entitlement offer to its shareholders who remain on its share register on the relevant record date on a 1 for 0.923 basis at \$0.20 per new Widgie Nickel share (**Entitlement Offer**), giving them the right (but not the obligation) to continue to further participate in the advancement of Widgie Nickel's exploration and development assets.

The lead manager and intended underwriter to the Entitlement Offer will be Euroz Hartleys Limited. Further information to be included in the Widgie Nickel Entitlement Offer prospectus.

Neometals' Managing Director, Chris Reed said:

"The demerger and return of our Mt Edwards asset offers existing Neometals shareholders the opportunity to realise the inherent long-term value of this exciting development story in a discrete, nickel focussed vehicle.

I am particularly pleased to have secured a team of highly skilled resource professionals with diverse expertise to oversee Widgie Nickel's future and support the focussed exploration and development of the Mt Edwards Project."

Widgie Nickel Managing Director, Steve Norregaard said:

"Widgie Nickel presents investors with a compelling opportunity to gain exposure to an exciting nickel focussed development story. With a material resource inventory and a commanding landholding over the prolific Widgiemooltha dome, strategically located next to major infrastructure, we are well placed to start an exciting independent journey.

We look forward to welcoming Neometals shareholders onto our register and would like to thank the Neometals Board for creating an independent vehicle with the technical, human and financial resources the Mt Edwards Project deserves."

Board and Management Team Overview

Ahead of Widgie Nickel's proposed ASX listing, a highly capable independent Board and management team has been assembled to run Widgie Nickel.

- *Johannes Stig (Steve) Norregaard – Managing Director;*
- *Andrew Parker – Independent Non-Executive Chairman;*
- *Felicity Repacholi-Muir – Independent Non-Executive Director;*
- *Scott Perry – Independent Non-Executive Director; and*
- *Graeme Scott - Company Secretary and Chief Financial Officer.*

Indicative Capital Structure

In-Specie Distribution	
Pro-rata total number of Widgie Nickel shares In-Specie Distributed to Neometals shareholders	130,000,000
Entitlement Offer - Key statistics	
Offer price per share	\$0.20
Total proceeds under the Entitlement Offer (before costs)	\$24,000,000
Total number of shares offered under the Widgie Nickel prospectus – Entitlement Offer	120,000,000
Total shares on issue immediately after completion	250,000,000
Indicative market capitalisation	\$50,000,000
Implied enterprise value – Entitlement Offer plus Widgie Nickel existing cash	\$25,000,000

The proposed structure and terms of the Entitlement Offer are indicative only and Widgie Nickel reserves the right to amend the proposed structure and terms.

Indicative Demerger Timeline

Indicative timetable	Date
Extraordinary General Meeting to approve the In-Specie Distribution	18 August 2021
In-Specie Distribution Record Date	24 August 2021
In-Specie Distribution of Widgie Nickel Shares to Neometals Shareholders	26 August 2021
Record Date for the Entitlement Offer	26 August 2021
Opening Date of Entitlement Offer	30 August 2021
Closing Date of Entitlement Offer	8 September 2021
Issue and allotment of Widgie Nickel shares under Entitlement Offer	17 September 2021
Expected despatch of holding statements for Widgie Nickel shares issued under Entitlement Offer	20 September 2021
Expected commencement of trading on ASX of Widgie Nickel shares	22 September 2021

These dates are indicative only and may change without notice subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

Advisers

Longreach Capital are acting as financial adviser and Herbert Smith Freehills as legal counsel to Neometals in relation to the Demerger.

Biographies of Proposed Directors and Management Team

Johannes Stig (Steve) Norregaard – Managing Director

Mr Norregaard is an experienced resources industry executive, company director, and mining engineer with over 25 years of experience in executive and operational roles.

He has previously worked in mine contracting as well as for mine owners, in both open cut and underground operations, exploiting commodities including nickel, gold, base metals and coal.

Mr Norregaard previously held senior management roles with ASX and TSX listed companies. He was the Managing Director at ASX listed companies Red 5 Limited (ASX:RED) and Tectonic Resources Limited (ASX:TTR). More recently, Mr Norregaard was Director of Operations of Westgold Resources Ltd (ASX:WGX).

Mr Norregaard has worked within Australia, Canada and South-East Asia.

Andrew Parker – Independent Non-Executive Chairman

Mr Parker holds a Bachelor of Laws (LLB) degree from the University of Western Australia and has significant experience in the exploration and mining industry and a wealth of expertise in corporate advisory, strategic consultancy and capital raisings.

Mr Parker previously held various senior management roles, such as Director of Stadia Capital (AFSL#342716) and co-founder of Trident Capital Pty Ltd (AFSL#292674), a corporate advisory and venture capital firm where he held the position of Managing Director until 2008. In both instances Mr Parker was the Responsible Manager under the relevant AFSL.

Mr Parker also held senior legal roles, such as General Counsel of previously ASX listed B Digital Ltd, Senior Associate of Price Sierakowski and Senior Associate of Summers Partners.

Mr Parker has held board positions with a number of ASX listed companies and is currently a Non-Executive Director of Boab Metals Limited (ASX:BML).

Felicity Repacholi-Muir – Independent Non-Executive Director

Ms Repacholi-Muir is a broad-based professional geologist with 19 years of experience as a geologist, manager and consultant within the field of mineral exploration and resource development.

She has experience in a range of mineral commodities and has been part of the exploration team responsible for the discovery and delineation of several economic orebodies.

Ms Repacholi-Muir was previously the Founding Non-Executive Director of Whitestar Resources Ltd (ASX:WSR).

She is currently a Non-Executive Director of Indiana Resources Limited (ASX:IDA) and Recharge Metals Limited (which is undertaking an initial public offering).

Scott Perry – Independent Non-Executive Director

Mr Perry has a Bachelor of Engineering from the West Australian School of Mines and more than 25 years experience in commercial, mining, and process engineering roles. This includes over 10 years experience with BHP Nickel West Pty Ltd.

Mr Perry is currently a Director of Process Engineering Australia Pty Ltd, an engineering, commercial and marketing consulting business focused in the mining, industrial chemicals and agricultural sectors. He is also a board member of Pollinators Inc, a member-based social enterprise, which uses a mix of earned revenue and grant funding to achieve a social mission to grow innovative regional communities while remaining financially resilient.

Graeme Scott - Company Secretary and Chief Financial Officer

Mr Scott is a fellow of the Association of Chartered Certified Accountants (UK) with more than 20 years of experience in professional and corporate roles.

Mr Scott has spent the last 16 years working as CFO in the resources sector, and as dual CFO and Company Secretary for both ASX and TSX listed companies.

More recently, Mr Scott was CFO and Company Secretary of ASX listed Peak Resources Limited (ASX:PEK).

Mr Scott has worked in both Australia and the United Kingdom.

About the Mt Edwards Nickel Project

The Mt Edwards Nickel Project consists of 49 granted and pending mining tenements.

The Mt Edwards Project is centred around the small township of Widgiemooltha, located 80 kilometres south of Kalgoorlie and 35km west of Kambalda in Western Australia. The Widgiemooltha Dome is a world class nickel sulphide camp that hosts more than seven historical nickel mines with a new mine, Mincor's flagship Cassini operation, recently commencing production.

The Mt Edwards Project contains a global Mineral Resources of 10.22 million tonnes at 1.6% nickel for 162,560 tonnes of contained nickel across 11 deposits (refer to Table 1 below).

Since acquisition in 2018, Neometals' has been reviewing and advancing the Mineral Resources to provide a sound basis for mining studies to evaluate the development of a number of short lead-time nickel sulphide deposits. These have now progressed to the point where a stand-alone nickel focussed exploration and development Company is the optimal structure to take the development forward to the next stage, and ultimately with a goal of entering production in the coming years.

Table 1 - Mt Edwards Global Nickel Mineral Resource

Deposit	Indicated		Inferred		TOTAL Mineral Resources		
	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Nickel Tonnes
Widgie 3 ^{2, 11}			626	1.5	626	1.5	9,160
Gillett ⁵			1,306	1.7	1,306	1.7	22,500
Widgie Townsite ⁹	1,183	1.7	1,293	1.5	2,476	1.6	39,300
Munda ³			320	2.2	320	2.2	7,140
Mt Edwards 26N ¹⁰			871	1.4	871	1.4	12,400
132N ⁶	34	2.9	426	1.9	460	2	9,050
Cooke ^{1, 11}			154	1.3	154	1.3	2,000
Armstrong ⁴	526	2.1	107	2	633	2.1	13,200
McEwen ⁸			1,133	1.4	1,133	1.4	15,340
McEwen Hangingwall ⁸			1,916	1.4	1,916	1.4	26,110
Zabel ^{7, 8}	272	1.9	53	2	325	2	6,360
TOTAL	2,015	1.9	8,205	1.5	10,220	1.6	162,560

Mineral Resources quoted using a 1% Ni block cut-off grade, except Munda at 1.5% Ni. Small discrepancies may occur due to rounding.

Note 1. refer announcement on the ASX: NMT 19 April 2018 titled - Mt Edwards JORC Code (2012 Edition) Mineral Resource 48,200 Nickel Tonnes

Note 2. refer announcement on the ASX: NMT 25 June 2018 titled - Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes

Note 3. refer announcement on the ASX: NMT 13 November 2019 titled - Additional Nickel Mineral Resource at Mt Edwards

Note 4. refer announcement on the ASX: NMT 16 April 2020 titled – 60% Increase in Armstrong Mineral Resource

Note 5. refer announcement on the ASX: NMT 26 May 2020 titled – Increase in Mt Edwards Nickel Mineral Resource

Note 6. refer announcement on the ASX: NMT 6 October 2020 titled – 132 Nickel Mineral Resource and Exploration Update at Mt Edwards

Note 7. refer announcement on the ASX: NMT 23 December 2020 - Zabel Nickel Mineral Resource Update at Mt Edwards

Note 8. refer announcement on the ASX: NMT 29 June 2021– McEwen Resources at Mt Edwards Increase 45% to 41.5kt Contained Nickel

Note 9. refer announcement on the ASX: NMT 29 June 2021 – Updated Widgie Townsite Nickel Mineral Resources at Mt Edwards

Note 10. refer announcement on the ASX: NMT 30 June 2021– Updated 26 North Resources at Mt Edwards Increase by 51%

Note 11. refer announcement on the ASX: NMT 7 July 2021 - Review of Nickel Mineral Resources as Mt Edwards Complete

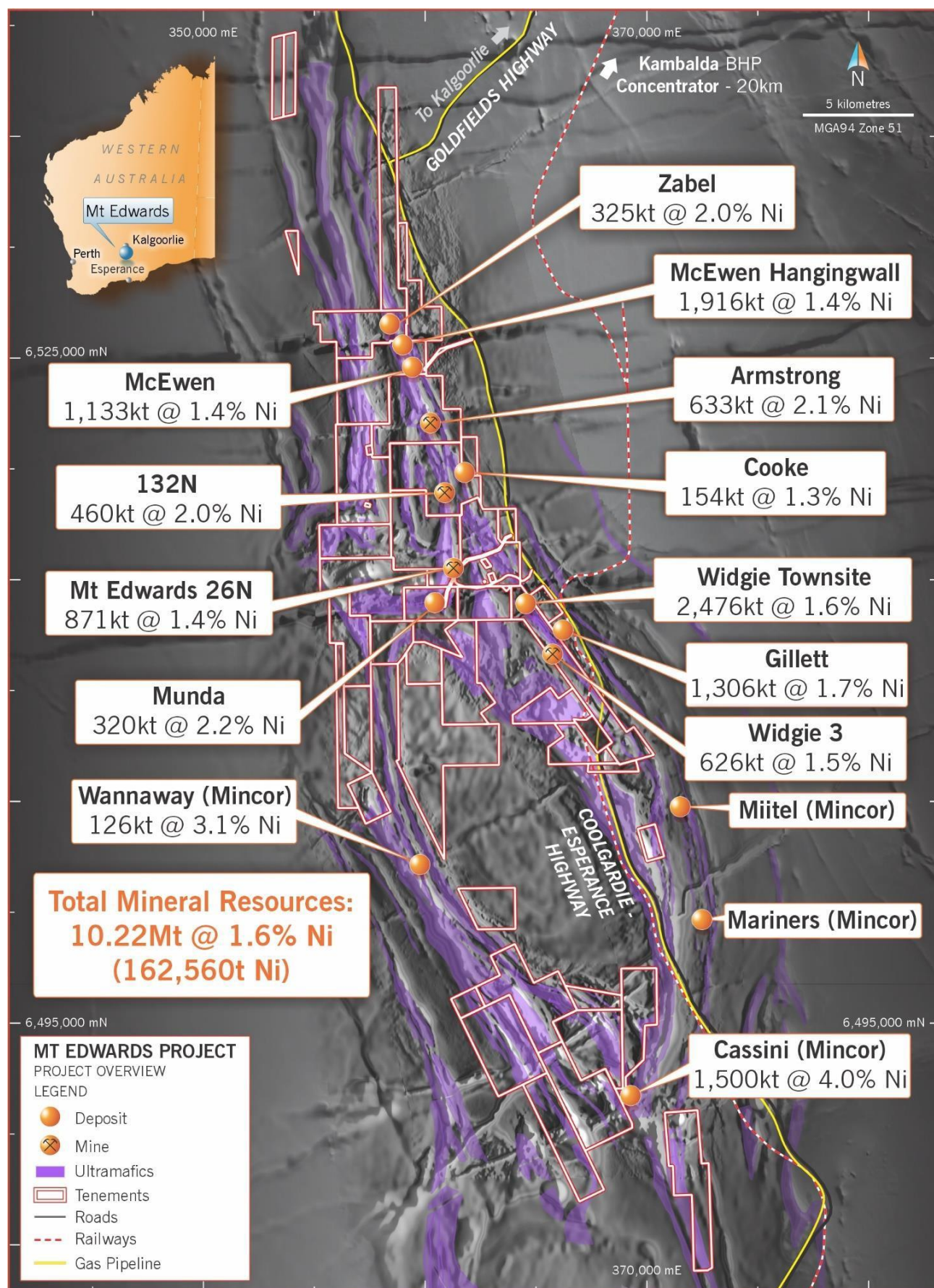


Figure 1 – Mining Tenements of the Mt Edwards Project Over Geology.

Compliance Statement

The information in this report that relates to Exploration Results and Mineral Resources for Neometals are extracted from the ASX Announcements listed in the table below, which are also available on the Company's website at www.neometals.com.au

19/04/2018	Mt Edwards Nickel - Mineral Resource Estimate
25/06/2018	Mt Edwards - Mineral Resource Over 120,000 Nickel Tonnes
05/08/2019	Mt Edwards Nickel – Drill Results
13/11/2019	Additional Nickel Mineral Resource at Mt Edwards
11/12/2019	Mt Edwards Nickel - Drill Results from Widgie South Trend
31/01/2020	Further Massive Nickel Sulphide Results from Mt Edwards
16/04/2020	Mt Edwards Nickel - Armstrong Resource increases 60%
26/05/2020	Mt Edwards Nickel - Gillett Resource increases 30%
06/10/2020	Mt Edwards Nickel - Mineral Resource and Exploration Update
23/12/2020	Mt Edwards Nickel - Zabel Mineral Resource Update
29/06/2021	Mt Edwards – McEwen Mineral Resources increase 45%
29/06/2021	Mt Edwards – Widgie Townsite Mineral Resource Update
30/06/2021	Mt Edwards – 26 North Mineral Resources Increase 51%
07/07/2021	Review Of Nickel Mineral Resources At Mt Edwards Complete

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX market announcements listed above and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant ASX market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant ASX market announcements.

Authorised on behalf of Neometals by Christopher Reed, Managing Director.

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About Neometals Ltd

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. With a focus on the energy storage megatrend, the strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

Neometals has three core projects that support the global transition to clean energy and span the battery value chain:

Recycling and Resource Recovery:

- Lithium-ion Battery Recycling – a proprietary process for recovering nickel, cobalt and other valuable materials from spent and scrap lithium batteries. Completing construction of demonstration scale plant with 50:50 JV partner SMS group. Targeting a development decision in Mar Q 2022; and
- Vanadium Recovery – sole funding evaluation studies to form a 50:50 joint venture with Critical Metals Ltd to recover high-purity vanadium pentoxide from processing by-products ("Slag") from leading Scandinavian steelmaker SSAB. Underpinned by a 10-year Slag supply agreement, Neometals is targeting an investment decision to develop a 200,000tpa processing plant in DecQ 2022.

Upstream Industrial Minerals:

- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in 2022 with potential operating JV partner IMUMR and potential cornerstone product off-taker, Jiuxing Titanium Materials Co.