

Neometals Chris Reed on the cost advantage of making Zeolite

“In terms of zeolite and making it, which is an engineered material out of our spodumene leach residue, it can potentially be a cost advantage. We have certainly made what is called a Type A and numerous types of zeolites. They are used in industrial purposes as catalysts, absorbents, etc. We are doing the engineering studies. We have got M&W looking at the operating and capital costs for that. We hope that can reduce our costs of production of lithium hydroxide in time.” States Christopher Reed, Managing Director of Neometals Ltd. (ASX: NMT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Chris thanks so much for doing this interview with me on what zeolite is. I have Neometals. You have been following your lithium, nickel, titanium, vanadium and recently Matt Bohlsen was talking about how you will be recycling for cobalt. In particular you just put out a news release about zeolite. Why don't you start by giving us an overview on what that news release actually means? Then you can talk to us about what zeolite is please.

Chris Reed: Sure Tracy. In terms of zeolite and making it, which is an engineered material out of our spodumene leach residue, it can potentially be a cost advantage. We have certainly made what is called a Type A and numerous types of zeolites. They are used in industrial purposes as catalysts, absorbents, etc. We are doing the engineering studies. We have got M&W looking at the operating and capital costs for that. We hope that can reduce our costs of production of lithium hydroxide in time.

Tracy Weslosky: Let me understand. This comes from lithium. Is that correct?

Chris Reed: It is actually what is left after we dissolve the lithium out of the spodumene.

Tracy Weslosky: Okay. You have managed to find an interesting byproduct of lithium. I am reading your news release it says it is going to reach a \$16.28 billion market by 2022. Could you tell us a little bit more? Where did we get this number from for instance?

Chris Reed: We bought a marketing study. There are plenty of big multinationals in the zeolite market. Another term for them is molecular sieves. You can actually use these minerals as molecular sieves to remove moisture from gas, to remove impurities from gas to purify oxygen, etc.

Tracy Weslosky: Is there a reason we have so many companies everywhere splattering the playing field of our stock portfolios with the world lithium in them, but I am pretty sure none of them are using the word zeolite or perhaps I have not been looking for it. Can you tell me, are you just closer to production than many of your competitors or can you explain to me a little bit more because we as shareholders are actually quite interested in this byproduct you have?

Chris Reed: Sure. Traditionally all the lithium conversion has been done up in China. They basically take the residues and give it to cement manufacturers to make concrete out of. In Australia we are having a look at something smarter to do with the residue, examining exactly what it is and can we make a value-added product to reduce our cost because reducing our cost is pretty much the only long-term strategy that we can use in the lithium business. We have got Mt Marion where we are making concentrates. We are looking at building a lithium refinery project to make lithium hydroxide and we have got the battery recycling. All of that is to get the highest revenue

per lithium unit at the lowest cost...to access the complete interview, [click here](#)

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Neometals' Chris Reed on building a lithium battery recycling plant

"Our most immediate corporate move is to recommend to the shareholders to demerge our titanium-vanadium assets away from the lithium business. Mt Marion is very mature. It is generating cash. We are now looking to build a down streaming lithium hydroxide plant, a lithium battery recycling plant. They have got their own capital needs. Barrambie is a far, far bigger resource by value, but not as developed so we are not getting value for that in the current portfolio. We will separate that out first." States Christopher Reed, Managing Director of Neometals Ltd. (ASX: NMT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Here we go again. You just keep hitting one benchmark after another, one milestone after another. On top of that, for the last several years you have been— I have got here, 3 consecutive dividends in the last financial years. Do I have that information correct? Please correct me.

Chris Reed: That is correct Tracy. We have returned about \$20 odd million to our shareholders in 3 consecutive dividends.

Tracy Weslosky: Being in this space I never hear about any

other company doing this in this particular market valuation. Can you tell me what makes you different? Why are you doing this for your shareholders or how can you do this?

Chris Reed: Our moto is we are a business. I measure the success of a business by giving back more than you take off people. We managed to sell some equity in the Mt Marion mine a number of years ago, which gave us a very, very healthy cash balance far in excess of what we needed to spend. Prudent returns back to the shareholders is one of the things we pride ourselves. You have got to remember that the board of management is the largest shareholder in the company so we are very well aligned to sharing the gains that we do make.

Tracy Weslosky: I know we love this here at InvestorIntel. Can you tell us when you plan on listing in North America or plan on doing a dual listing?

Chris Reed: Our most immediate corporate move is to recommend to the shareholders to demerge our titanium-vanadium assets away from the lithium business. Mt Marion is very mature. It is generating cash. We are now looking to build a down streaming lithium hydroxide plant, a lithium battery recycling plant. They have got their own capital needs. Barrambie is a far, far bigger resource by value, but not as developed so we are not getting value for that in the current portfolio. We will separate that out first. We have an American depository receipt program on the Pink Sheets and the NASDAQ International Designation. For us we think that the shareholders prefer— they will own the same amount in each project, but in two companies.

Tracy Weslosky: This was just put out in a news release just a month ago. I believe I read that you would have completed this demerger in March/spring of next year. Is that correct?

Chris Reed: Yeah, certainly. Look we have got to put our financial results out by the end of September. We will have a

bit more information around the demerger. We have to have all our documents to the shareholders at least 4 weeks before the annual general meeting, which is at the end of November. We hope to complete that early pending approval in the March quarter, early in the March quarter of 2019.

Tracy Weslosky: You always put out such comprehensive news releases. You had one more recently about being able to produce commercial grade zeolite...to access the complete interview, [click here](#)

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