

The Neometals lithium, nickel, titanium, vanadium, and in time cobalt (recycling) story

Neometals is moving up the lithium value-add chain as well as into titanium and vanadium DSO production

Neometals Ltd. (ASX: NMT) is an Australian lithium miner and so much more. Neometals owns a 13.8% share of the producing Mt Marion lithium mine, has a near term lithium hydroxide processing facility planned for near Kalgoorlie WA, a near term lithium-ion battery recycling business, and a very near term Barrambie Titanium-Vanadium-Iron Project very likely to soon start Direct Shipping Ore (DSO) production.

Mt Marion lithium mine (13.8% owned)

Neometals owns 13.8% of the Mt Marion mine, a large long life lithium spodumene mine in Western Australia. Partners are Mineral Resources (ASX: MIN) (43.1%), and Ganfeng Lithium (43.1%). The latter has off-take agreements and is primarily concerned to secure lithium supply to feed their massive lithium conversion and other related businesses. This means Mt Marion should never have trouble selling their product. Furthermore from 2020 onwards Neometals has an option for a minimum of 12.37% spodumene concentrates from Mt Marion.

Lithium spodumene production capacity at Mt Marion is currently 450kt concentrates pa (~55kt LCE). Given Neometals 13.8% share this resulted in a H1 FY18 Profit of A\$7.35m (NMT share). From 2021 Neometals should have potential to increase this if they have their own processing facility.

Lithium hydroxide processing facility (planned to start by

2021)

Neometals has already taken a 2 year option to sublease a 40 hectare site for their proposed lithium hydroxide processing facility. The site is 70 km by road from Mt Marion, and 5 km from the city of Kalgoorlie. Neometals has already put in place a feed source for their proposed facility – Mt Marion (as above) , Mt Edwards (100% owned), and Mt Holland (36% share owned via Hannans (ASX: HNR) equity holding). CapEx is expected to be about AUD\$250m, and Neometals may bring in a partner to help fund the project. We will know more after the Feasibility Study is completed by March 2019. Note that Mt Edwards also has multiple historic nickel mines containing 120,000t+ of nickel metal (@ 1.7% Ni grade).



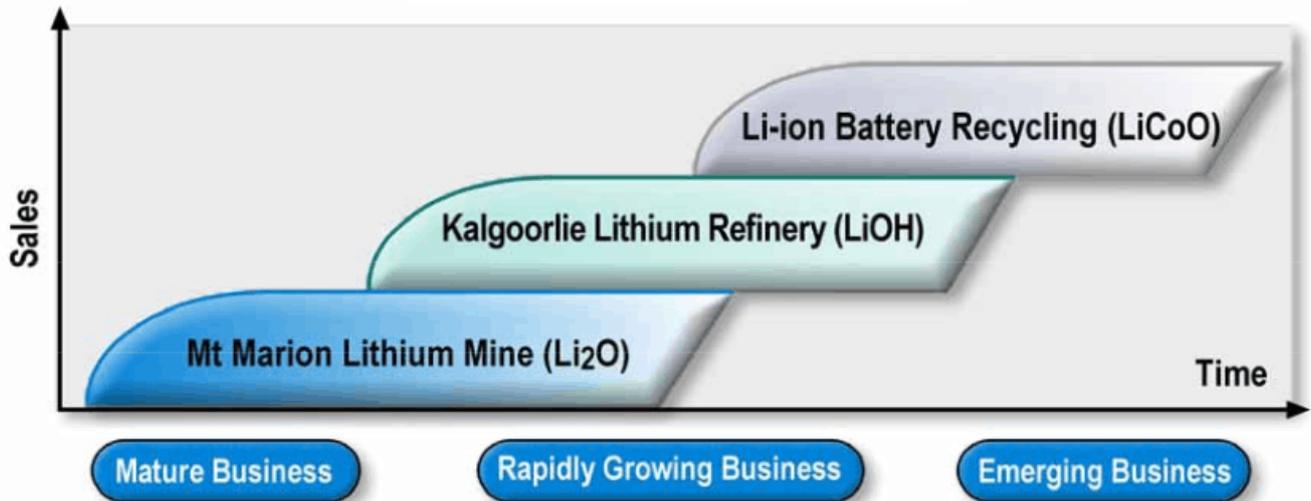
Planned lithium hydroxide facility timeline

Lithium-ion battery recycling business – Montreal Canada (50% share)

Neometals is currently building a USD \$4.5m pilot plant in Montreal, Canada. Neometals have completed a scoping study showing they can recycle cobalt from lithium-ion batteries for a cost of US\$4.45/lb Co (US\$10k/t). Neometals has 50% of the IP (5 US Prov. Pats) and exclusive licence to commercialise.

The graphic below summarizes the timeline for Neometals three lithium projects as discussed above.

Neometals Horizons of Growth



Neometals horizons for growth

Barrambie Titanium-Vanadium-Iron Project (100% owned)

Barrambie has the world's second-highest grade titanium deposit with 53 million tonnes @ 21% TiO₂, and vanadium average grades of 0.63%. Neometals has just recently begun shipping bulk samples of Barrambie DS0 to China for potential off-takers. Neometals is investigating DS0 being toll beneficiated and smelted in China as a phase 1 operation with a parallel phase 2 development utilising on-site processing options. This includes a potential update of the 2009 Definitive Feasibility Study based on an 11,200 tpa Vanadium Pentoxide operation, along with the scheduled piloting of the Neomet hydrometallurgical process.

Current market cap is A\$155m. As of March 30 2018, Neometals had cash balance of ~\$41m, and no debt. They are currently cash flow positive. By comparison China's giant lithium processing company Ganfeng Lithium has a market cap of CHY 41b (~US\$6b).

Neometals has always been well ahead of the curve. Their current strategy of increasing their share of the profits for each tonne of processed lithium ore, by having their own hydroxide processing facility is very wise. To help feed the

new facility once opened they have already secured more lithium spodumene from Mt Edwards and Mt Holland. Finally they are on the verge of bringing in revenue from their titanium and vanadium project at Barrambie.

Neometals is progressing fast to move up the lithium value-add chain. Neometals is definitely one of the most, if not the most, promising low market cap lithium miners around today. Neometals has huge potential to grow profits over the next 5 years, especially once they have set up their new value add operations. Neometals has lithium, nickel, titanium, vanadium, and in time cobalt (from recycling). And they have cash flow and a powerful off-take partner. Don't miss this one.