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Neometals Launches FEED Study for Kalgoorlie Lithium Hydroxide Project

HIGHLIGHTS

- Engineering firm M+W Group has been awarded the contract to perform the FEED Study and deliver its report in Q4 2018. M+W successfully completed an Engineering Cost Study for Neometals in 2016
- Vendor Testing by Veolia Water Technologies produced a 99.99% pure lithium hydroxide monohydrate, suitable for use by the lithium ion battery sector
- The successful test work validated the proposed production process for the FEED Study
- The project Feasibility Study will integrate the results of the FEED Study ahead of a potential project investment decision in Q1 2019
- The proposed Kalgoorlie Lithium Hydroxide Plant is a key part of Neometals' strategy to develop an integrated lithium business

Neometals Ltd (ASX: NMT) ("Neometals") is pleased to announce the appointment of Germany's M+W Group ("M+W") to perform the project Front-End Engineering and Design ("FEED") Study for the Company's proposed Kalgoorlie Lithium Hydroxide Project.

The proposed lithium extraction flowsheet has been tested as previously reported and will form the process design criteria from which the project FEED Study can be completed.

M+W are scheduled to deliver the Study report by the end of 2018. The project Feasibility Study will integrate the results of the FEED Study in preparation for a request for a project investment decision in Q1 2019.

All the right elements

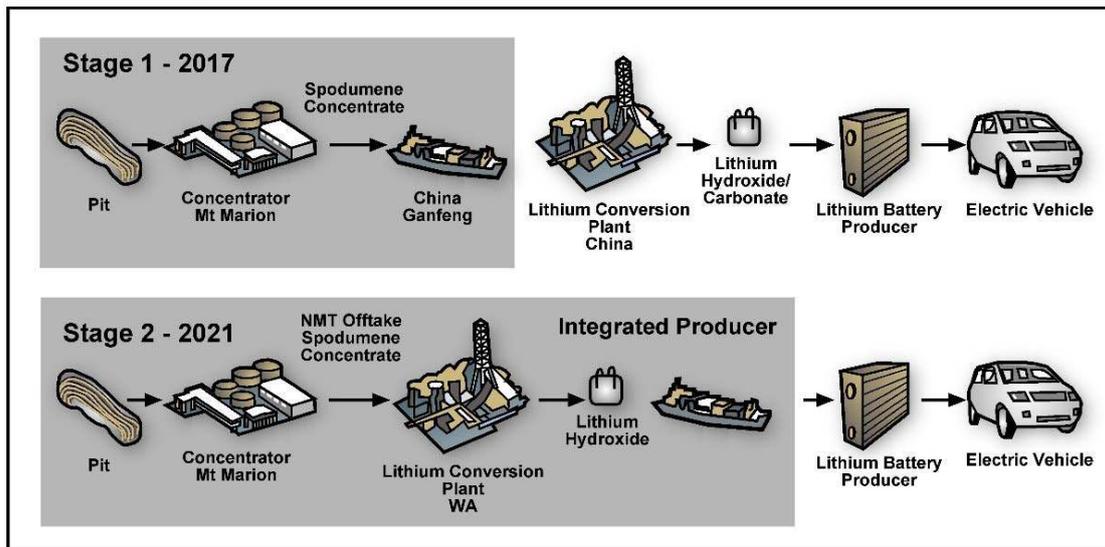


Neometals Chief Executive Officer, Chris Reed said:

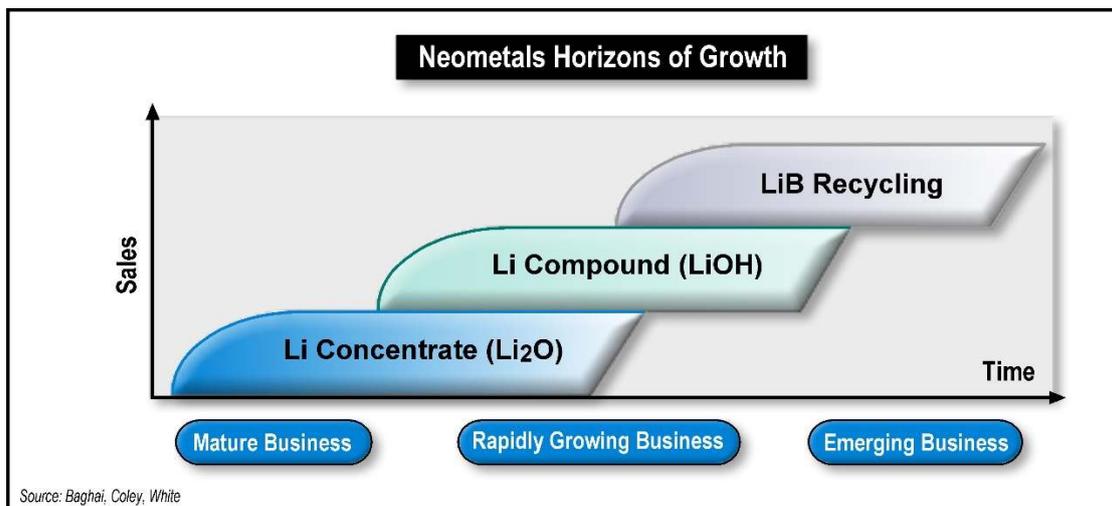
“We are extremely pleased with the previous studies conducted by M+W for Neometals and anticipate a similar high standard of report for the FEED Study.

“Neometals looks forward to advancing its strategy to become an integrated lithium producer and maximise the value of its spodumene offtake rights from Mt Marion via the downstream conversion to lithium hydroxide in a local plant.”

Neometals Integrated Lithium Strategy



The competitive advantages of downstream conversion of concentrates to lithium hydroxide locally are focused on transport, shipping and duty savings. Approximately seven tonnes of spodumene concentrate is required to produce one tonne of lithium hydroxide and represents more than half of the operating cost of production. Strategically, Australia remains as one of the most secure free-market jurisdictions in which to develop downstream lithium production, with multiple brine based lithium producers choosing Australia as a destination to diversify their production base.

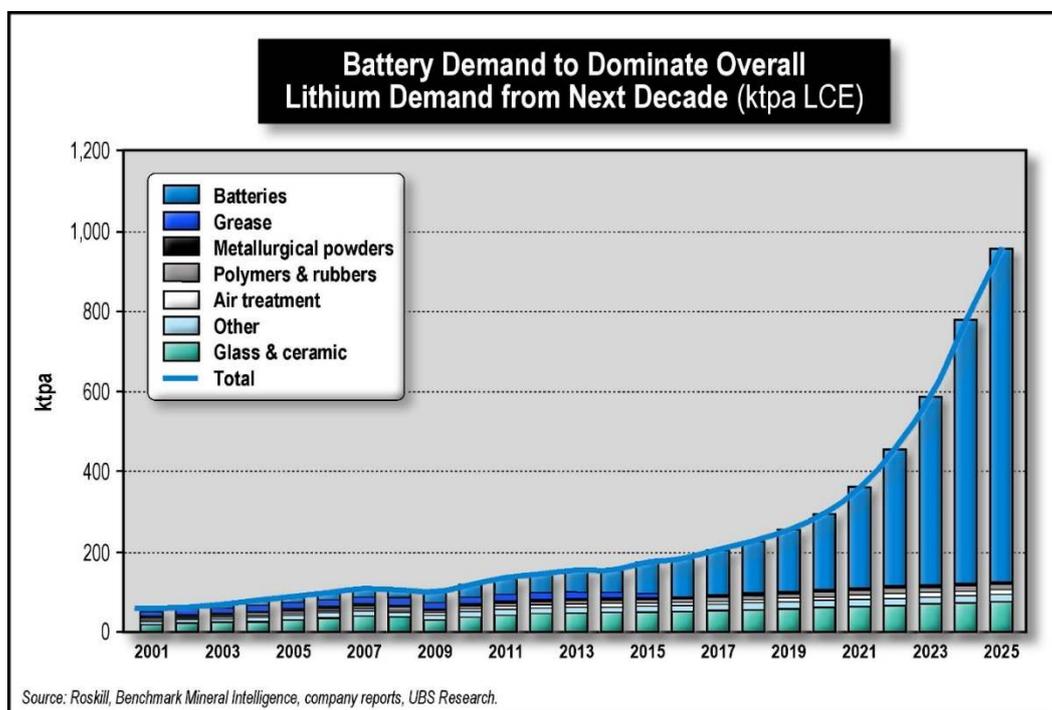


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The Project timeline should allow the delivery of product from the Lithium Hydroxide Plant into the lithium market at a time when the demand growth for lithium is forecast to accelerate considerably.



Project Indicative Key Dates and Schedule

Vendor Testwork/Updated Cost Study	Mar 18	<i>Completed</i>
Commence FEED Study	May 18	
Complete FEED Study	Dec 18	
Complete Feasibility Study and Investment Decision	March Q 19	
Commissioning (subject to Investment Decision)	mid-2021	

ENDS

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