

Powering the European *Energiewende*

Lithium from Europe for Europe

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Competent Person Statement

The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Francis Wedin, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of Novo Lítio and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this presentation of the matters based upon the information in the form and context in which it appears.

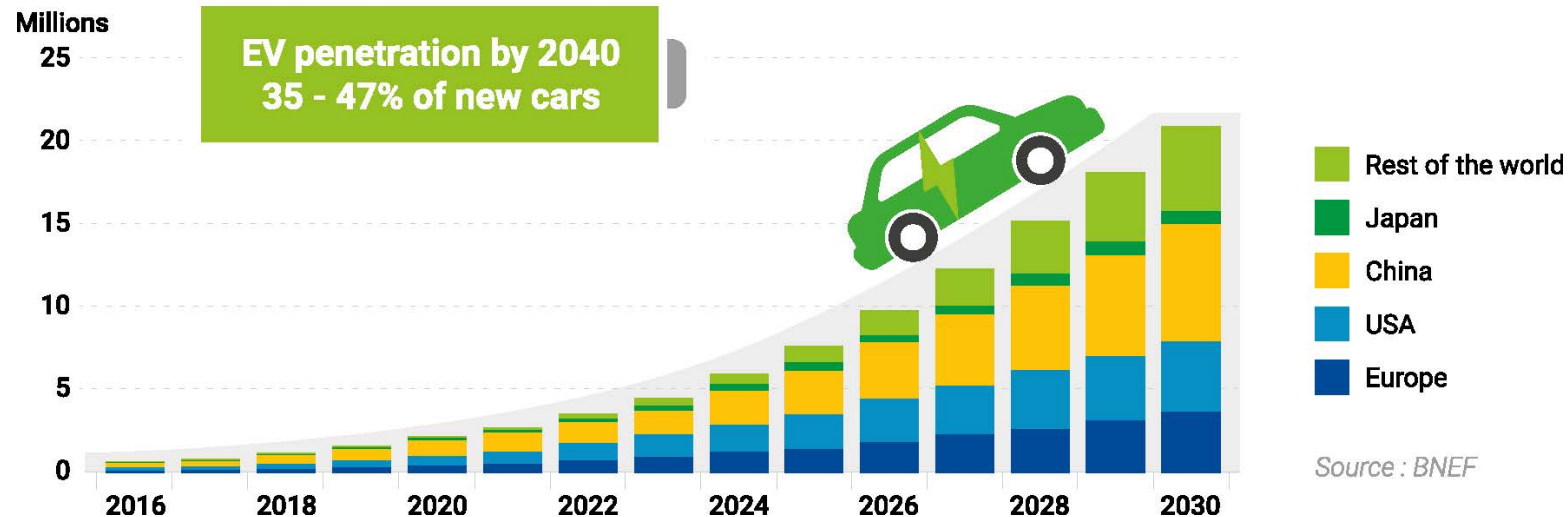
Company Summary

- Aim to become a sustainable European supplier of premium, ultra-low impurity **technical grade** petalite concentrate and **battery-grade** lithium carbonate/hydroxide
- Current cash position of AUD\$16.0M, with a further AUD\$3.0M due from sale of WA assets to Pilbara Minerals - **Fully funded to completion of Sepeda DFS**
- **Largest lithium pegmatite JORC Mineral Resource in Europe**, rapidly advancing to development
- **Simple metallurgy, ultra-low impurity** mineral concentrate produced with virtually no iron or fluorine-bearing micas. **Battery grade lithium carbonate** produced via conventional methods.
- Sepeda phase three drilling ongoing, phase four fast-tracked and is running concurrently
- Demonstration petalite concentrate plant product output scheduled for Q3-Q4 2017
- Quality pipeline of lithium exploration projects in Portugal and Sweden. **Exceptional** track record of lithium discoveries and resource delineations to date
- **Aim to be producing petalite concentrate by early to mid 2019 and lithium chemical products by early to mid-2020**

The Energy Transition is Upon Us...

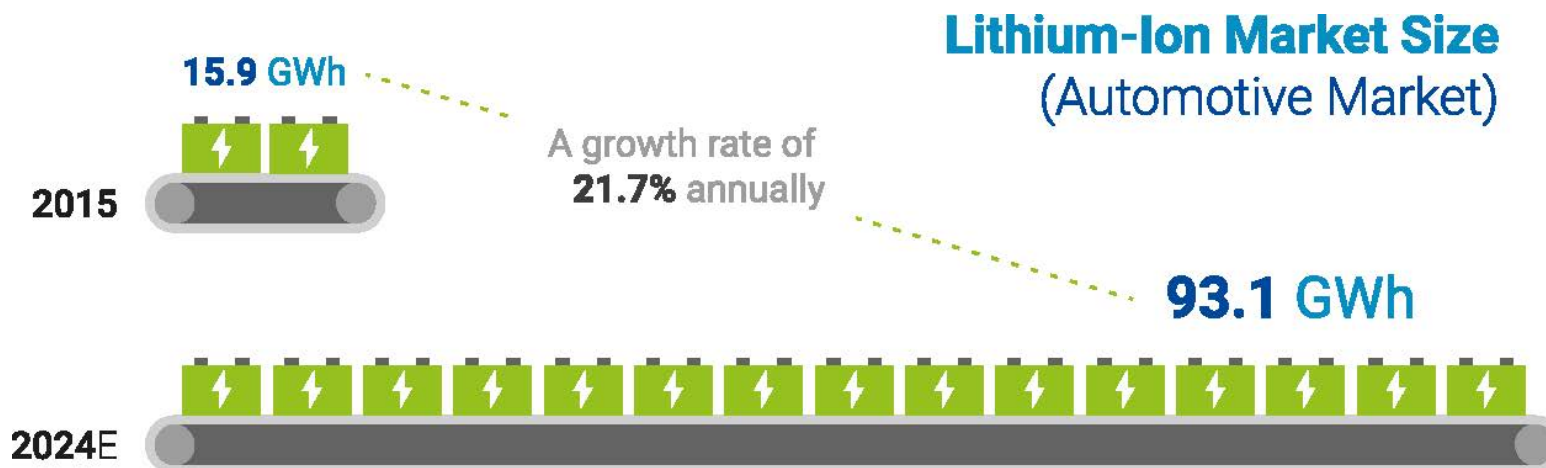
Two main themes are defining energy & transportation in this century:

1. ***Decline of the traditional energy production & distribution Company caused by mass uptake of renewables - linked to large-scale lithium-ion battery storage for smooth supply.***
2. ***Mass uptake of electric vehicle (EVs), powered by lithium-ion batteries - approaching parity with fossil fuel engine costs. Lithium battery cells are now selling for under \$140/kWh*, an unprecedented drop from \$1,000/kwh in 2010. This is now reaching a tipping point where affordable (<US\$30,000) EVs, with a range of >350km, are becoming widely available.***



...with Lithium the Essential Ingredient...

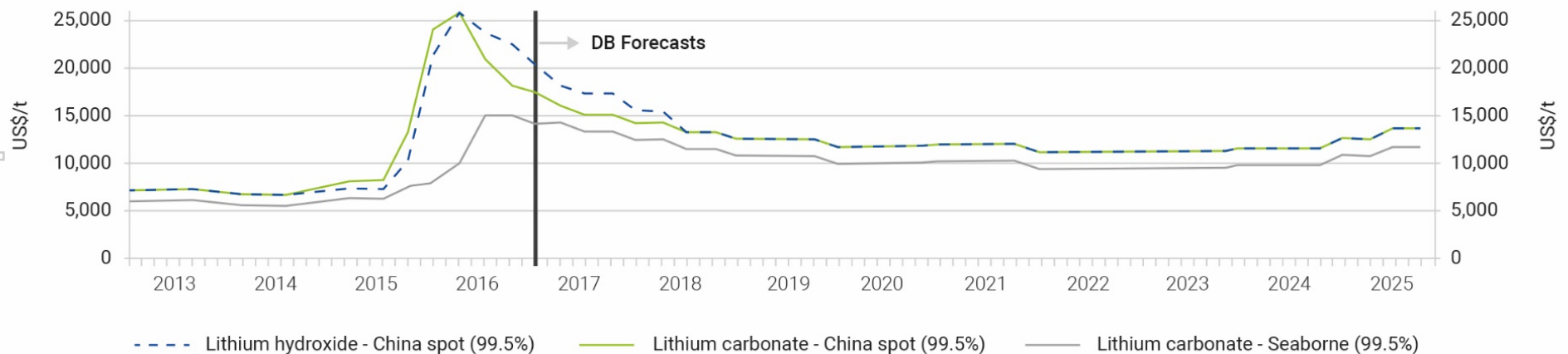
- > The Tesla Model S, with its 70kWh lithium-ion battery, uses **63kg** of LCE (12kg of Li) - 14% percent by weight, or 10,000 times that of a cell phone
- > For every 1% of electric vehicle penetration of the global passenger car market, add 50-70,000t of LCE demand, or around **30%** of the total current market
- > Total, an oil giant, predicts 30% penetration of car market by EVs by 2030, for **20 million sales**
- > This would require 1-1,200,000t LCE, or **6x current global production**
- > This does not take into account lithium-ion batteries for home or grid stationary storage, and E-Bikes, buses, and other forms of transportation all of which are seeing rapidly increasing rates of growth



Source : Navigant Research

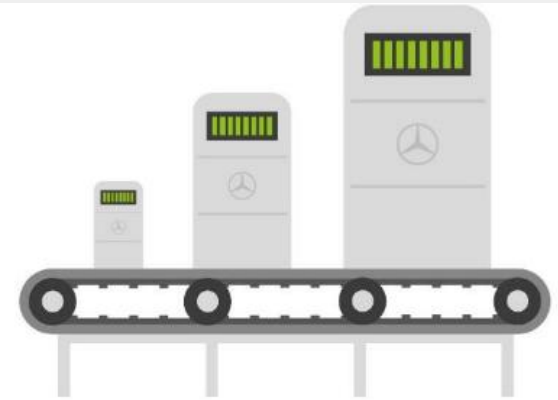
...Underpinning Strong Demand & Pricing Forecast for Lithium

- Surge in uptake of lithium-ion batteries in EVs, home/grid storage has caused strong lithium price gains in the past year
- Current demand forecasts for lithium carbonate equivalent (LCE) range from 550 to 600ktpa in 2025, up from 200ktpa in 2016, mostly driven by increase in lithium-ion battery uptakes for storage and EVs
- Morningstar predict 100kt LCE shortfall in supply by 2025
- Supply/demand tightness underpins strong price support forecasts



Europe is Leading the Way...

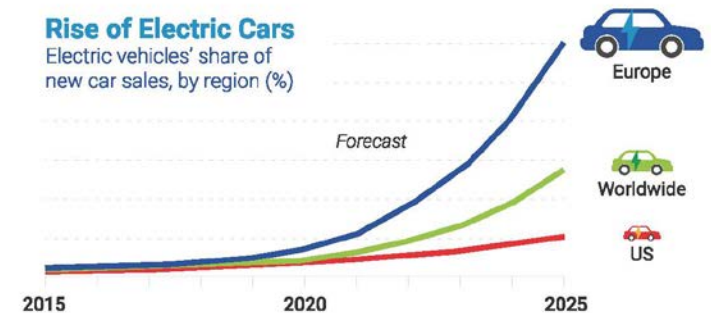
- Renault currently largest seller of EVs in Europe, on track for 40K units for 2017 with 9,220 sold in Q1¹
- Volkswagen group – targeting 25% of sales to be electric by 2025
- Daimler/Mercedes – 10 new all-electric models, also making batteries for mass home/commercial energy storage
- BMW, Land Rover, Jaguar etc. – multiple all-new, all-electric models
- Parliamentary motions to ban sales of new petrol and diesel cars by 2025 in Norway and Netherlands and by 2030 in Germany
- Germany's largest utility company E.ON has spun out its fossil fuel business, with the new E.ON focused on the “new energy world” of renewables
- 24% of all vehicles sales in Norway were electric in 2016



3 x expansion to Daimler-Mercedes lithium-ion battery factory in Germany, to build EV and home **energy storage** lithium-ion batteries

Rise of Electric Cars

Electric vehicles' share of new car sales, by region (%)



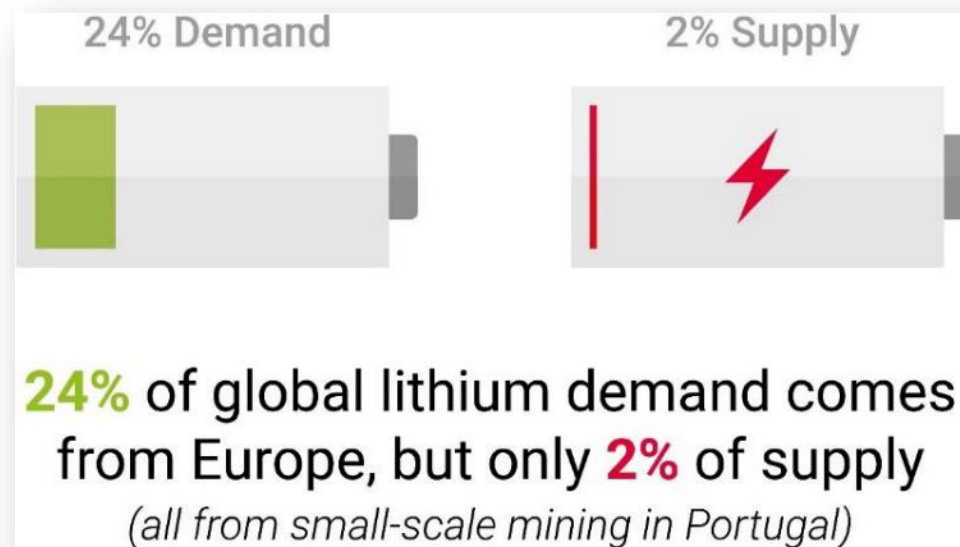
Source : UBS & Financial Times

¹<http://insideevs.com/in-q1-2017-renault-zoe-sales-were-up-57/>

...But Supply Security is an Issue

- Europe currently consumes around a **quarter** of the world's lithium, but produces next to **none** of it
- European battery producers need a secure, ethical and low-carbon footprint source of lithium. **Novo Lítio** is well placed to supply this surge in demand
- Portugal – currently the only lithium producer in Europe, is ranked as a top 10 mining investment destination

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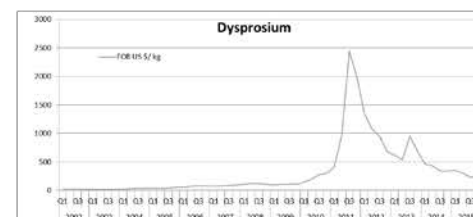
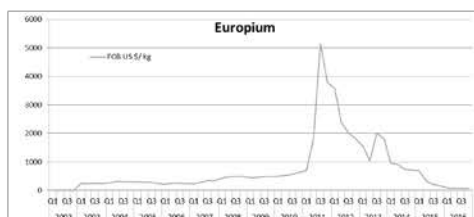
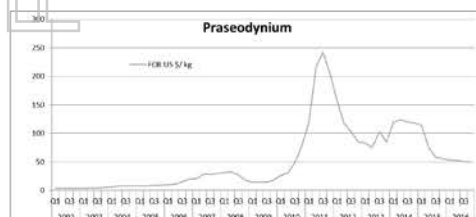
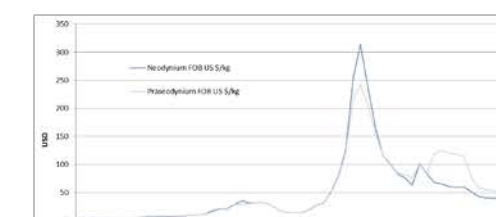
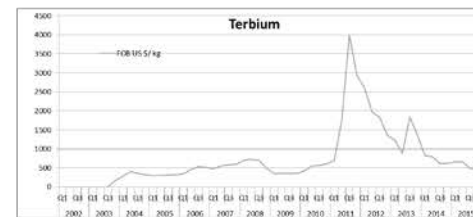
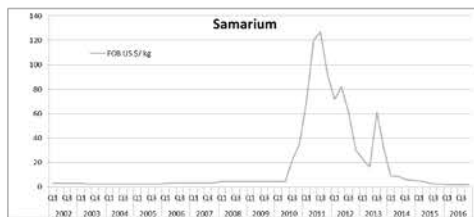
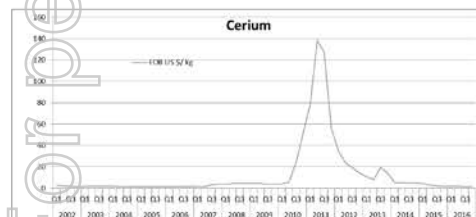
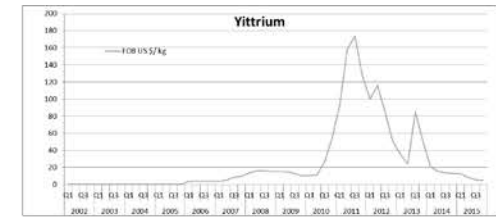
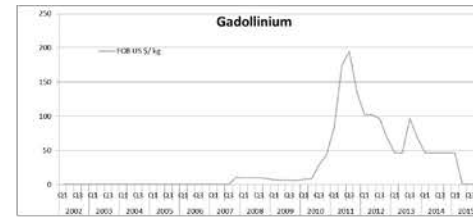
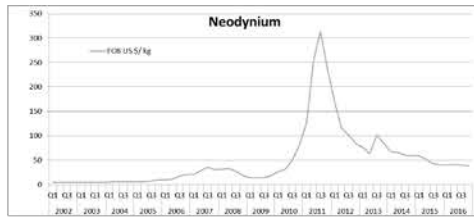
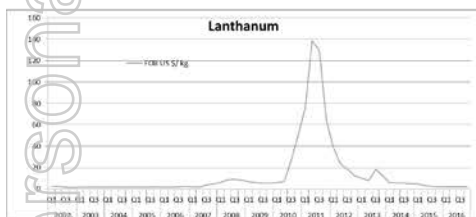


Safe Reliable Supply for Europe??

The Lithium cartel is like OPEC on steroids:

1. OPEC – 13 countries controlling 40% of world oil production
2. Lithium cartel – **4 companies controlling 90%** of lithium production, with four Asian companies controlling 80% of Li-ion cell production

So what happens when China restricts supply of Lithium and or geopolitics/environmental/labour problems effect South American supply??



European Battery Factories & Novo Lítio Projects

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Operational

- 3 Daimler / Mercedes
- 4 Samsung 1

Operational and making their own cells

- 5 Nissan
- 6 BMZ

Planned

- 7 Northvolt
- 8 Audi
- 9 LG Chem
- 10 Volkswagen
- 11 Tesla?

Under Construction

- 12 Samsung 2



193,000 passenger EVs were sold in the EU in 2015, compared with 188,700 in China, and 115,000 in the US

The largest market for EVs in the world

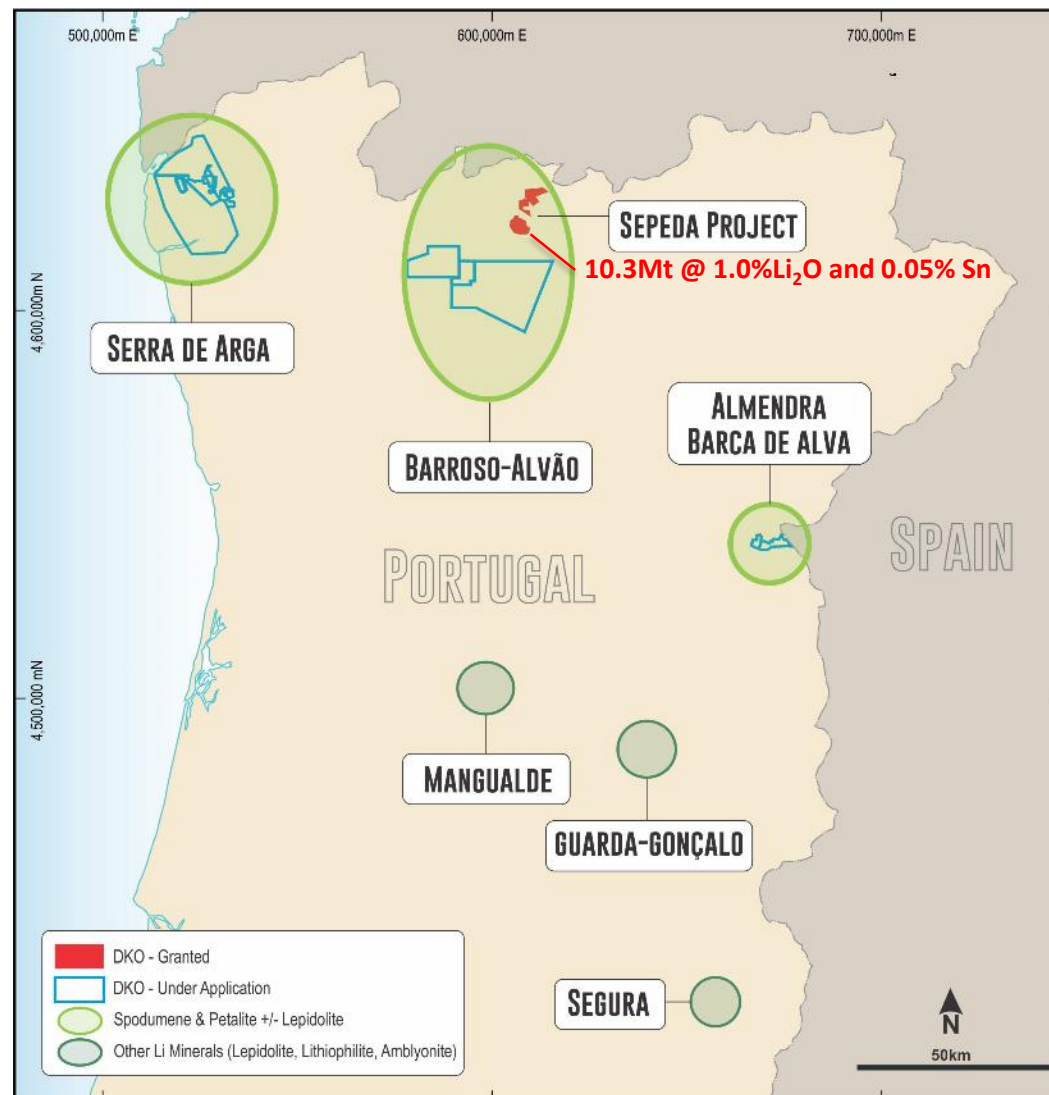
- > Multiple planned battery factories, but no domestic supply of lithium carbonate or cathode plants
- > Novo Lítio's lithium projects can provide secure, low-carbon footprint supply

Sepeda – Largest JORC Lithium Pegmatite Mineral Resource in Europe

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SEPEDA - PORTUGAL

- Sepeda maiden Mineral Resource – 10.3Mt @ 1.0% Li₂O and 0.05% Sn¹
- Largest JORC lithium pegmatite Mineral Resource in Europe
- Sepeda Mineral Resource update on schedule for Q3 2017
- Mineral Resource currently only from one pegmatite (Romano) – numerous other pegmatites yet to be tested.

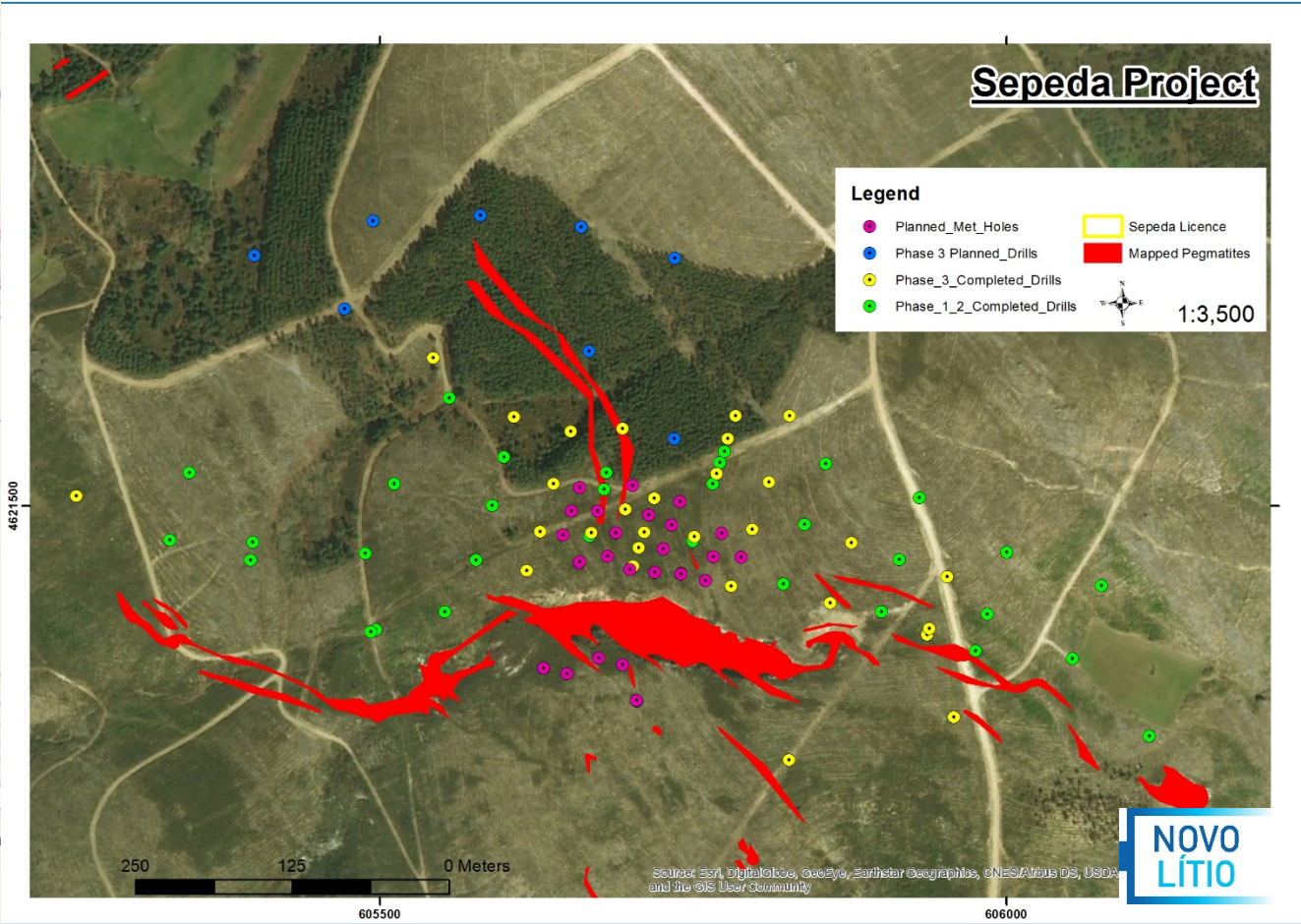
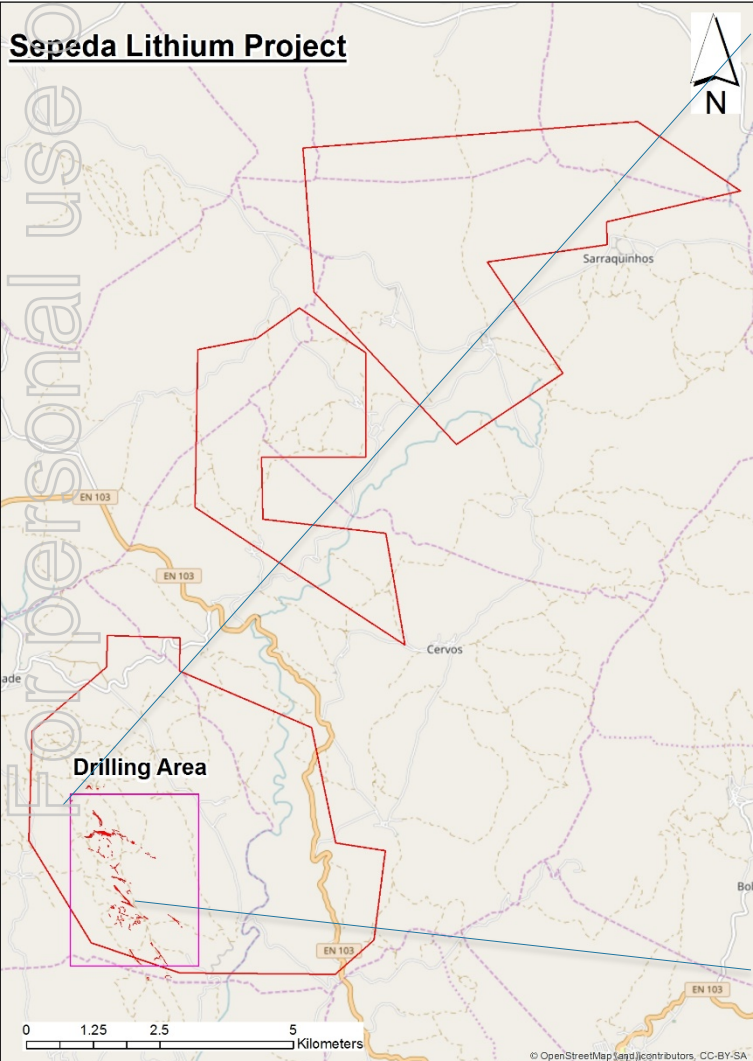


¹NLI announcement 20/02/17

Sepeda, Portugal - Toward a Self-Sufficient Europe

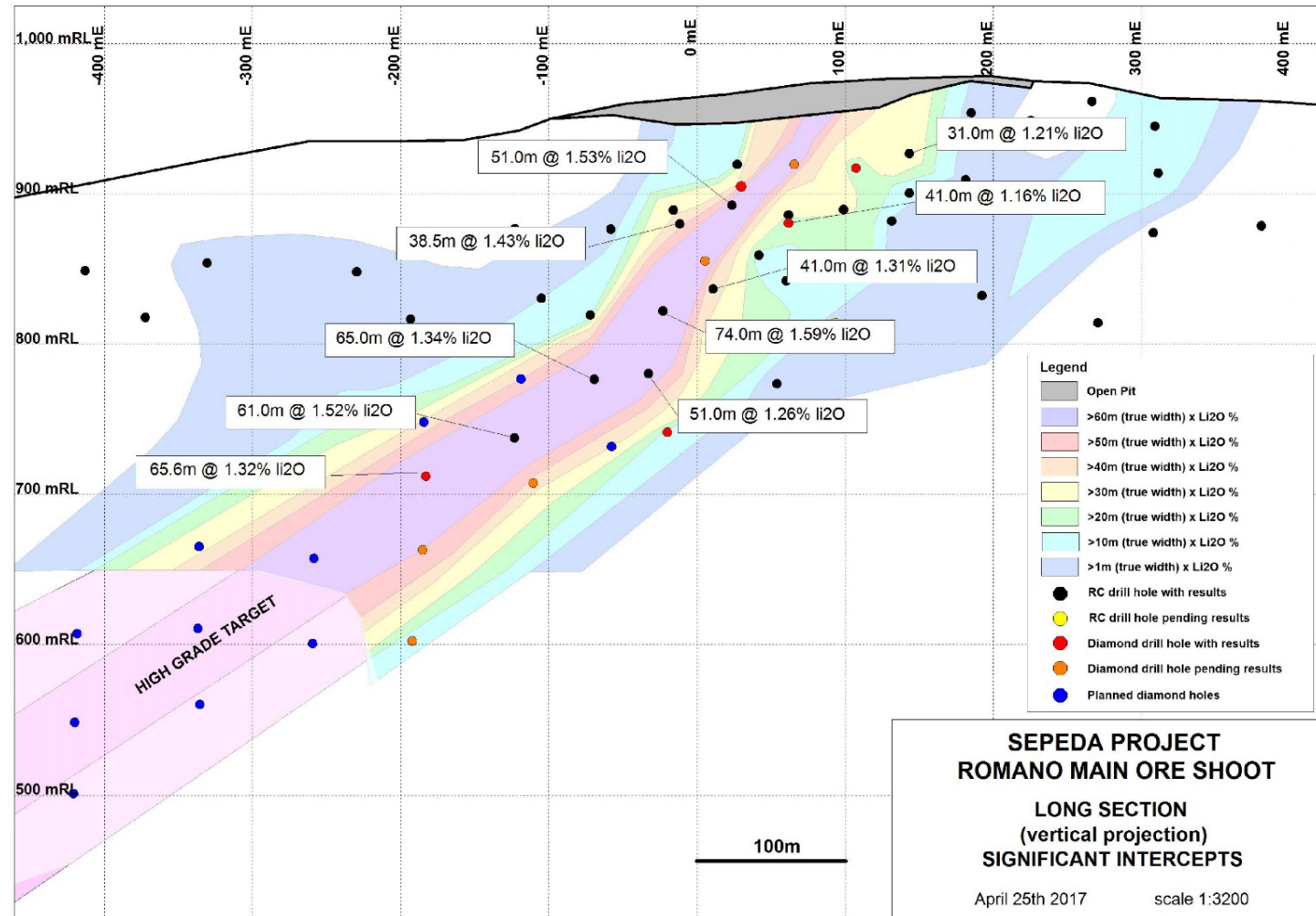


Sepeda Tenements



Sepeda – Romano Pegmatite Long Section

- Phase 3 and 4 drilling underway, Resource update on schedule for Q3 '17
- Scoping study results expected shortly
- Initial metallurgical testwork completed, producing high purity concentrate and battery-grade lithium carbonate, via conventional methods
- Feasibility studies to commence imminently. Demonstration plant expected to produce petalite concentrate during Q3 2017
- Aggressive target to commence concentrate production by early to mid 2019, and lithium carbonate/hydroxide production by early-mid 2020
- Excellent infrastructure and proximity to markets



Sepeda – Ultra-Low Impurity Product, Simple Metallurgy

- Petalite is a lithium aluminium silicate similar to spodumene, which studies have shown can be processed via conventional, commercially-proven methods.
- No difficult or exotic lithium minerals present, such as micas or clays (no hazardous fluorine) – lower development and environmental risk
- Interim metallurgical testwork results indicate an ultra-low impurity petalite concentrate, grading 4.4% Li_2O and 0.01% Fe_2O_3 , can be produced from Sepeda material
- This meets Technical Grade lithium concentrate specifications, which command a **premium** over Chemical Grade products due to their **low impurities**
- Technical Grade (TG) lithium mineral concentrates are priced at 70-80% of the 99.5% lithium carbonate (40% Li_2O) equivalent (LCE) price. At a long term average forecast price of US\$10,000/t LCE this equates to US\$750-800 per tonne of 4.4% Li_2O petalite delivered to the customer
- This compares with Chemical Grade (CG), lithium mineral concentrates, with higher iron and other impurities, which are generally sold for further processing and purification to lithium carbonate at a **discount to Technical Grade**
- **Battery-grade, 99.97% lithium carbonate** also recently produced from Sepeda petalite material via same conventional methods used for spodumene, by Anzaplan in Germany
- Potential for flexibility - dual product stream: a) Technical Grade lithium concentrate and b) Battery Grade lithium carbonate. Demonstration plant to produce large samples for potential offtake customers in Q3 2017

Sepeda – Aggressive Development Timeline, Strong Cash Position

Q4 – 2016

- *Environmental Impact Assessment work (EIA) – **commenced***
- *Scoping Study for petalite and lithium chemical production – **completion imminent***

Q1 - 2017

- *Complete Maiden Resource - **completed***

Q2 - 2017

- *Initial Metallurgical test-work to produce concentrate and lithium carbonate - **completed***
- Commence Feasibility Studies, detailed metallurgical testwork & negotiation of Sales Agreements

Q3 – 2017

- Resource update and Demonstration plant to produce large offtake customer samples

Q3- 2018

- Grant of EIA and mining licence, commence plant construction

Q2 – 2019

- **Commence mining and Technical Grade concentrate production**
- Commence construction of carbonate/hydroxide plant

Q2 – 2020

- **Commence LiCO/OH Production**

Exploration Pipeline 1 – Lusidakota Portugal

> Very large (1,200km²), highly prospective tenement application package covering main lithium pegmatite fields in Northern Portugal - known lithium-bearing (petalite/spodumene) pegmatites already identified:

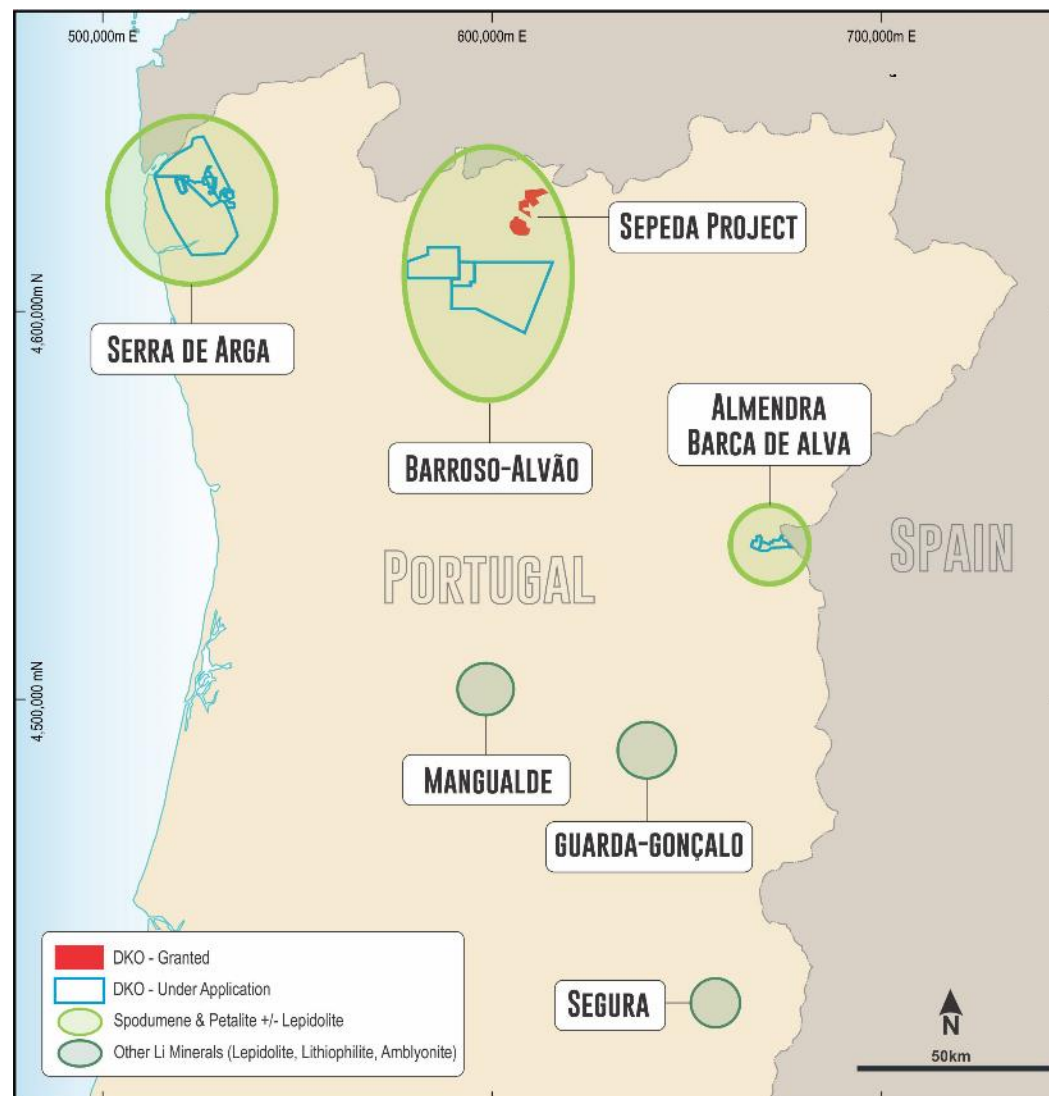
- > Barroso – Alvão/Carvalhais Pegmatite Fields (including Sepeda project)
- > Serra de Arga Pegmatite Field
- > Barca de Alva Pegmatite Field

> Tenement package consists of thirteen exploration licences (one granted and twelve under application*)

> Historical small scale lithium mining within tenement package

> Close to excellent power, storage, transport infrastructure, and local workforce

*Tenement application MNPPP0395 (Barroso-Alvao) is awaiting a decision on a proposed hydroelectric dam development. All tenement applications are subject to overlapping claims to some degree, which the Company understands will be resolved at public tender.



Exploration Pipeline 2 - Spodumenberget

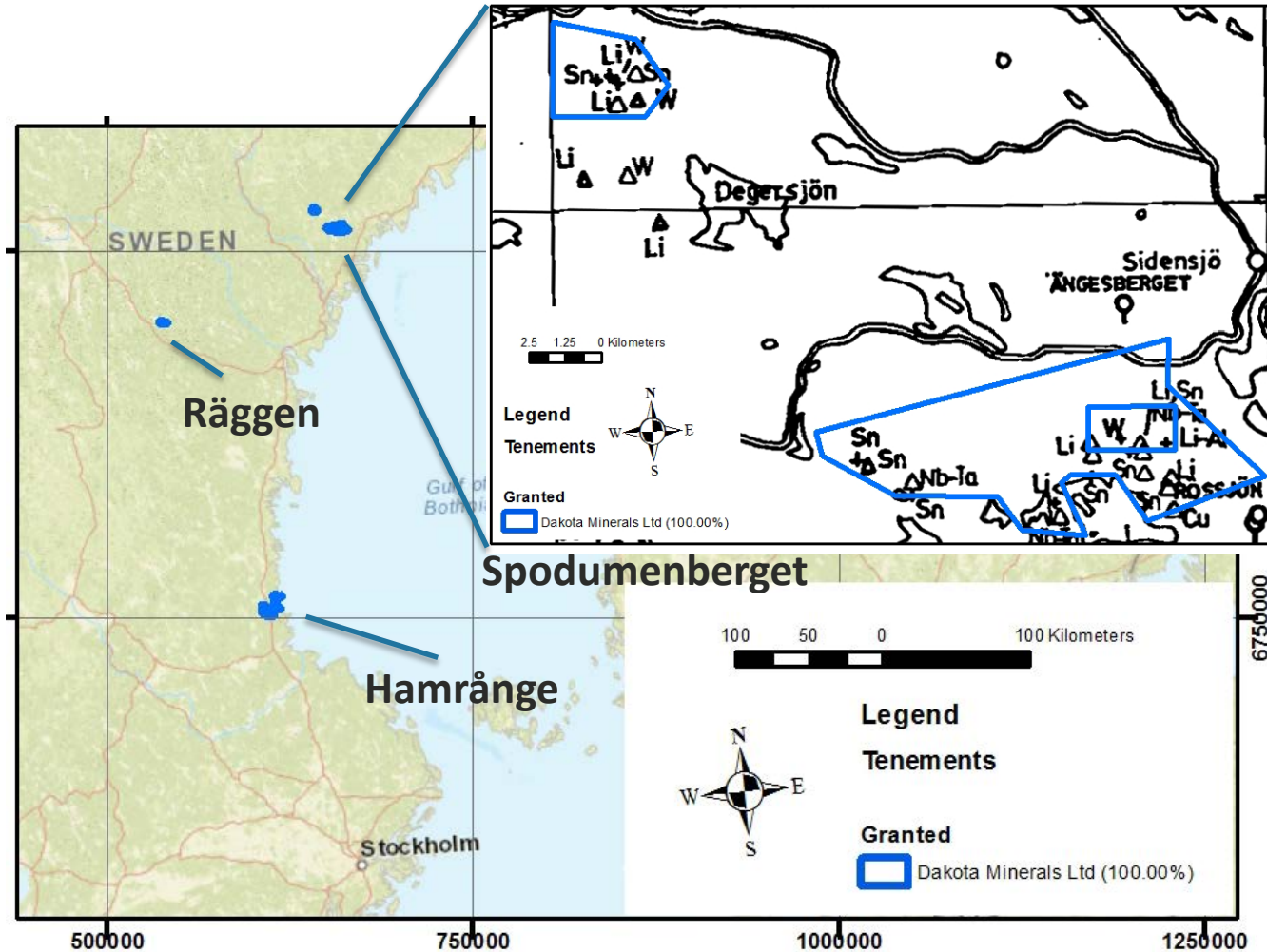
➤ Quality portfolio of newly granted exploration leases in areas highly prospective for lithium (spodumene) in Sweden, covering 126km²

➤ **Spodumenberget (Spodumene Mountain)** prospect contains multiple historical records of spodumene samples from pegmatite outcrops grading >1% Li₂O

➤ Prospect is in an area with excellent access and infrastructure and close to seaports

➤ Field programme to define drill targets commencing in May 2017

➤ Novo Lítio team already has a track record of discovering and defining two new lithium resources on two continents within a year



Capitalisation Overview

ASX-NLI

Shares

Shares on Issue	370.4M
Milestone Vendor Shares*	30M

Directors & Management - Performance Rights:

Tranche 2 & 3**	6.6M
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Options

Unquoted Options exercisable at \$0.016 expire 31 December 2018 (ASX: NLIAA)	2.7M
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Unquoted Options exercisable between \$0.035, \$0.06 & \$0.09 expire 31 December 2017	28.3M
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Total Options	31.0M
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Market Cap (undiluted) @ \$0.06	\$22.2M
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Cash	\$16.0M
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EV	\$6.2M
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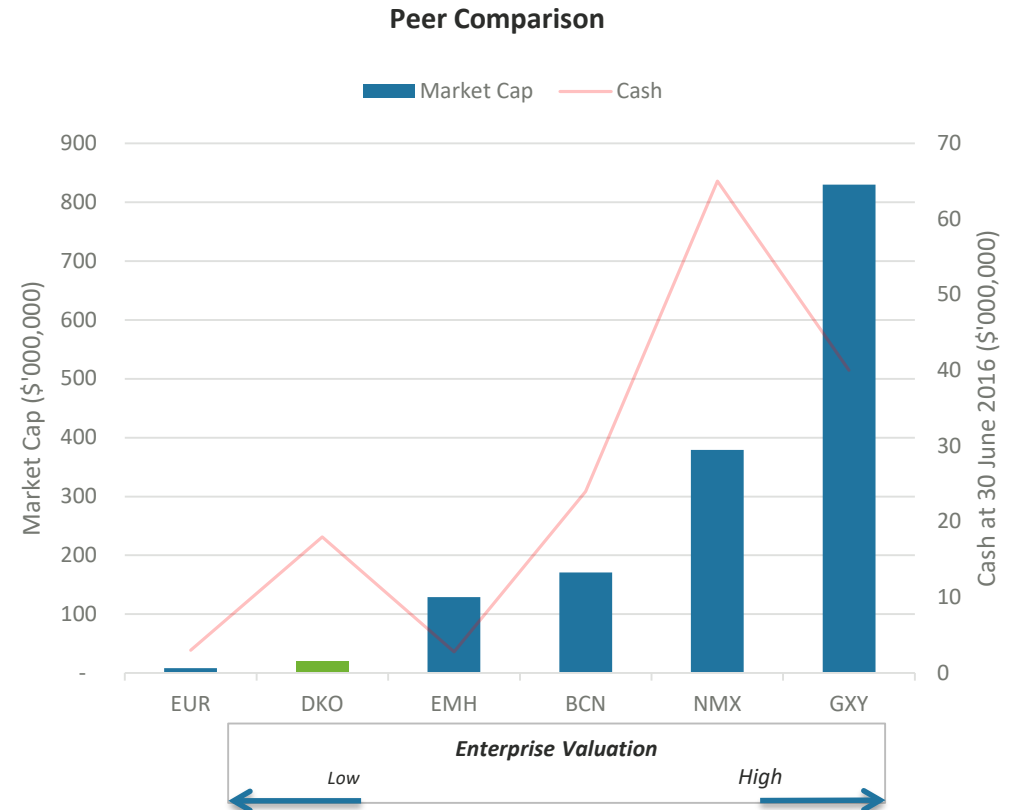
*Milestone Vendor Shares. Definition of resource over divested Lynas Find tenements:
- 15mt resource @ 1.2% Li2O

**Directors and Management Performance Rights. Definition of resource over NLI projects: Tranche 2 – 15mt resource @ 1.0% Li2O (3M),
Tranche 3 – 30mt resource @ 1.0% Li2O (3M)

The Novo Lítio Opportunity

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- Strategically placed to take advantage of the growing surge in European lithium demand
- Quality lithium development project at Sepeda, Portugal
- **Strong cash position allowing rapid advancement of project**
- Dominant land position in well-known petalite/spodumene mineralised regions of Portugal/Sweden – exploration upside, management track record of lithium discoveries and resource definitions
- Highly experienced management team with a track record of delivering successful outcomes



(Source: Bloomberg, ASX, TSX, TSX:V, AIM and Company estimates as at 1st of May, 2017)

APPENDIX

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Board & Management Team

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John Fitzgerald
Chairman



Mr Fitzgerald is an experienced Company Director and resource financier. He has worked with the resources sector for 30 years providing corporate advisory, project finance and commodity risk management services to a large number of companies in that sector.

Mr Fitzgerald is a Non-Executive and lead Independent Director of Northern Star Resources Ltd and a Non-Executive Director of Danakali Resources Ltd, and Carbine Resources Ltd. He has previously held positions as Chairman of Integra Mining Ltd and Atherton Resources as well as senior executive roles with a number of Investment Banks with a focus on the provision of services to the mining sector.

Mr Fitzgerald is a Chartered Accountant, a Fellow of FINSIA and a graduate member of the Australian Institute of Company Directors.

David J Frances
President & CEO



International mining executive of 25 years with a track record of developing assets in Africa (Democratic Republic of Congo) with Mawson West (TSX: MWE) from 2006- 2012.

Mr Frances took MWE private in 2009 when it was a \$5M ASX listed company with exploration and development projects in the DRC. After successfully completing a transaction with Anvil Mining and subsequently recommissioning and restarting the Dikulushi copper-silver mine Mr Frances then completed the largest base metals capital raise and IPO in the world for 2010 when MWE was listed on the TSX with a market capitalisation of \$250M.

David has also overseen other successful developments and his experience in successfully exploring, funding, and developing projects, his proven corporate strategic skills, and his knowledge of equity capital and debt markets complement the highly experienced and successful management team of Novo Lício.

Board & Management Team Cont.

Dr. Francis Wedin
Technical Director



Francis Wedin is a mining and metals industry executive, with a diverse expatriate working background spanning three continents and multiple commodities, producing a proven track record of mineral exploration and development success.

Whilst MD of Asgard Metals, Francis was involved in the identification and acquisition of the Lynas Find lithium project, which was later vended to Novo Lítio. Since joining Novo Lítio, he has overseen the discovery of new lithium resources at Lynas Find and Sepeda, and has been instrumental in growing Novo Lítio into a globally significant lithium development company focused on Europe.

Francis has a PhD in mineral exploration parameters focused on the Tethyan Metallogenic Belt, is a Fellow of the Geological Society, London, and a member of the Australasian Institute of Mining and Metallurgy. He is bilingual in English and Turkish, with proficiencies in other languages. He is currently studying an MBA with a focus on renewable energy technologies and how this relates to the lithium market.

**Prof. Dudley
Kingsnorth**
Non-Executive
Director

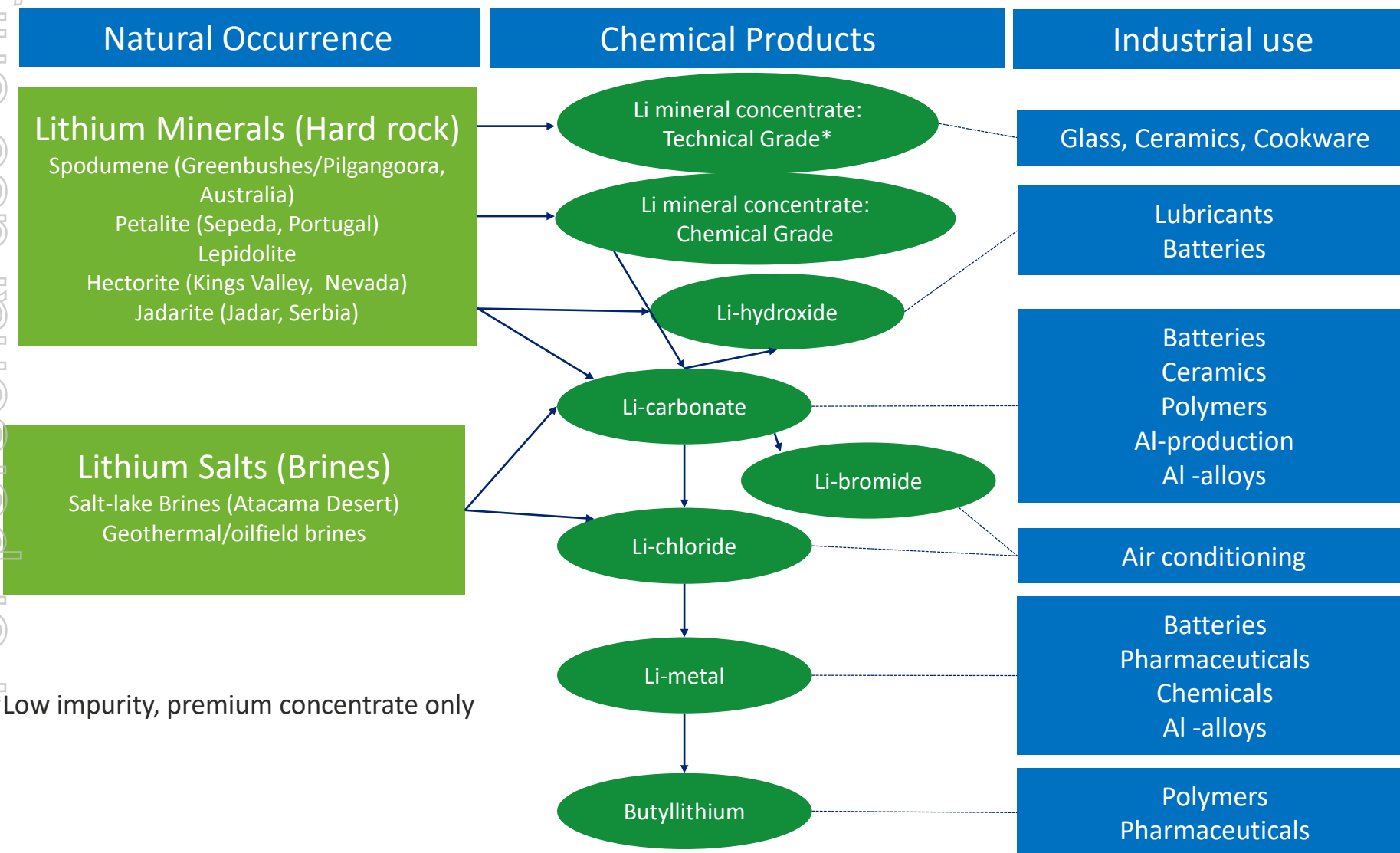


Professor Kingsnorth is a Fellow of the Australian Institute of Company Directors, in addition to being a Fellow and past VP of the Australasian Institute of Mining and Metallurgy (AusIMM), and a Fellow of the Institute of Materials, Minerals, and Mining (UK).

He has more than 45 years' experience in the international mining industry, and is internationally recognised as a world authority on lithium and rare earths markets. Dudley is the current leader of the Curtin Graduate School of Business's Critical Materials Initiative.

He is also an experienced director and has acted as Chairman, Managing Director, CEO, Director, Project Manager, and Marketing Manager, for various listed and unlisted Companies in the, lithium, rare earths, tantalum, gold, iron ore and aluminium sectors.

Where Does Lithium Come From?

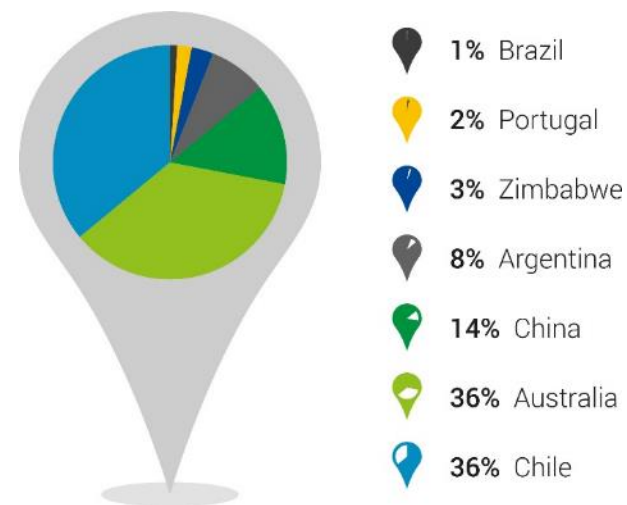


*Low impurity, premium concentrate only

Lithium Supply - Summary

- Lithium sources currently very constrained by company and country
- Major brine resources carry significant geopolitical risk, high CAPEX and long lead time to development of new projects
- Imperative to define new sources that present alternatives with lower development risk, CAPEX and timeline to production
- Current planned production expansions, and new resources going into production, are likely to be inadequate to support the forecasted large-scale electrification of vehicles
- Greater volume and diversification of supply is needed to enable the global “*energiewende*”, or energy transition









Lithium Supply



Lithium Market Growth Areas

Key Points

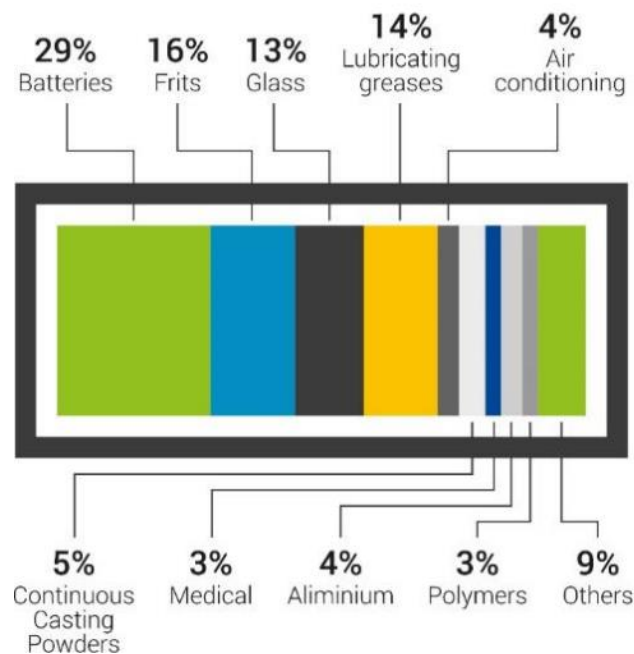
- Strong existing glass/ceramics market for premium, **technical grade** lithium mineral concentrate, with low impurities such as iron, manganese and chromium
- **Chemical grade** mineral concentrate generally contains higher impurities and thus sells as a discount to technical grade, to be processed further into lithium carbonate or hydroxide
- Battery grade lithium carbonate/hydroxide is tipped to be the main growth area in the lithium sector for many years to come

Application	Lithium Products	Demand ktpa LCE 2015	Forecast Demand ktpa LCE 2020	Forecast Demand ktpa LCE 2025	Growth Rate
 Batteries	Lithium hydroxide and lithium carbonate	60-70	150-170	350-400	15-25%
 Glass / Ceramics	Spodumene/ petalite concentrates Lithium carbonate	40-50	45-55	55-65	2-4%
 Greases / Lubricants	Lithium hydroxide	15-20	20-25	30-40	4-8% p.a.
 Metal Alloys	Lithium metal & alloys	10-15	12.5-20	15-25	3-5% p.a.
 Air Conditioning	Various	5-10	7.5-12.5	10-15	3-5% p.a.
 Polymers	Various	4-8	7.5-12.5	10-15	2-4% p.a.
 Medicine	Speciality organo-compounds	4-8	7.5-12.5	10-15	2-4% p.a.
 Others	Various	10-15	12.5-20	15-25	3-6% p.a.
Compound Average Growth Rate	N/A	150-170	265-340	495-600	12-15% p.a.

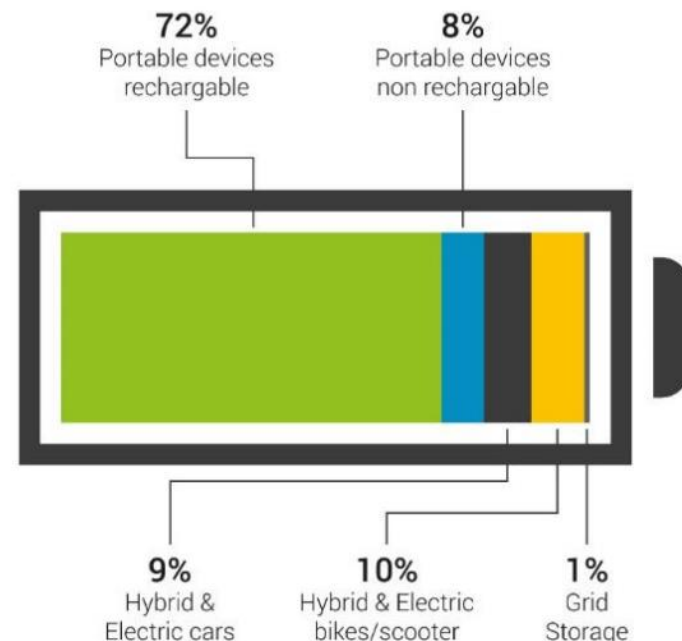
The Ideal Battery - Why Lithium?

- High charge density, lightweight, recharges rapidly
- Ability to hold charge for long period of time, long battery lifespan
- All major battery manufacturers are investing large sums to build lithium-ion batteries. It will take decades for any other major battery technology to break into this market

Lithium Consumption by Application



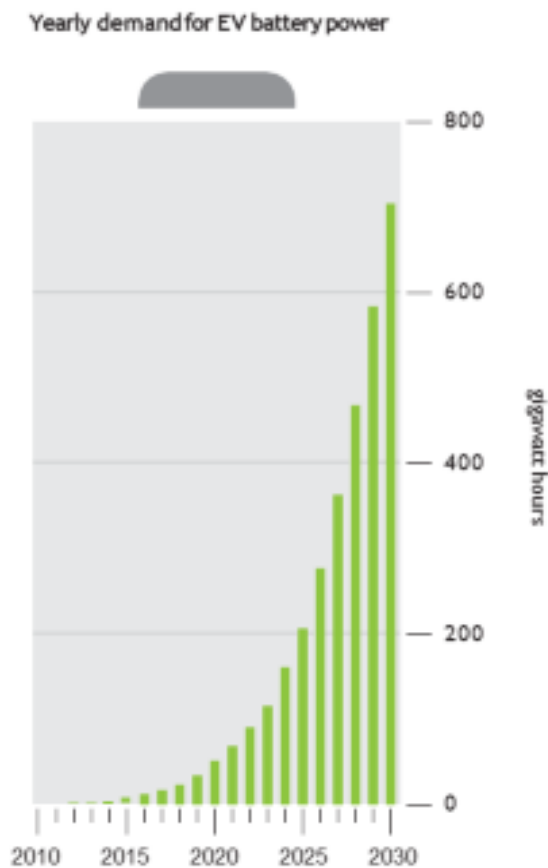
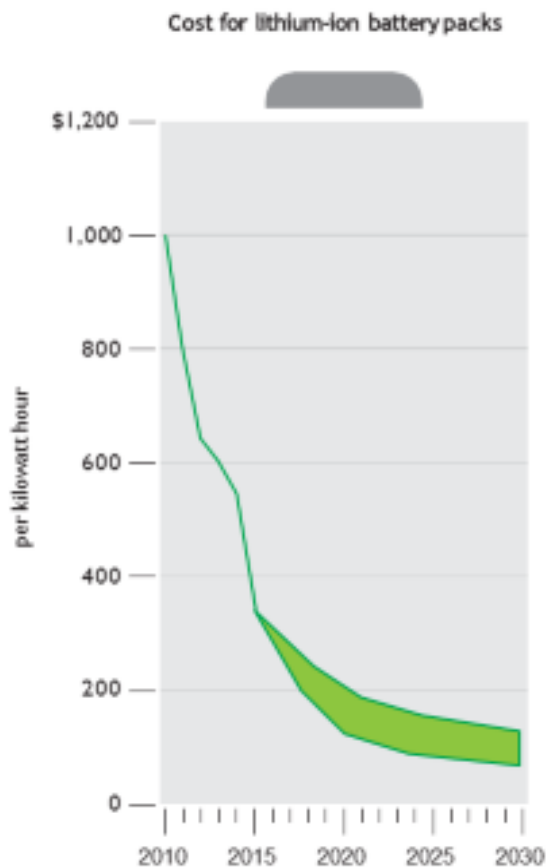
Lithium Consumption in Batteries



Lithium Ion Battery - Costs

It's All About the Batteries

Batteries make up a third of the cost of an electric vehicle.
As battery costs continue to fall, demand for EV's will rise.



Lusidakota- Portuguese Tenements

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Tenement ID	Prospect	Project	Licence Type	Status	Area (Km²)
MNPPP04612	Barroso Alvão	Sepeda	Prospecting & Research	Granted	37.1
MNPPP0395	Barroso Alvão	Tamega	Prospecting & Research	Under Application	283.3
MNPPP0407	Barroso Alvão	Fafia	Prospecting & Research	Under Application	27.3
MNPPP0274	Serra de Arga	Arga West	Prospecting & Research	Under Application	249.8
MNPPP0275	Serra de Arga	Arga East	Prospecting & Research	Under Application	93.2
MNPPP0396	Serra de Arga	Arga Central	Prospecting & Research	Under Application	42.7
MNPPP0393	Barca de Alva	Boavista	Prospecting & Research	Under Application	14.3
MNPPP0394	Barca de Alva	Picões	Prospecting & Research	Under Application	5.5
MNPPP0427	Trancoso	Massueime	Prospecting & Research	Under Application	120
MNPPP0424	Castelo Branco	Segura	Prospecting & Research	Under Application	130
MNPPP0426	Amarante	Vieiros	Prospecting & Research	Under Application	114
MNPPP0430	Barroso Alvão	Vaqueiro	Prospecting & Research	Under Application	23
MNPPP0431	Barroso Alvão	Malhao	Prospecting & Research	Under Application	100

Spodumenberget – Swedish Tenements

Tenement Name	Project	Ownership	Licence Type	Status	Area Ha
Dyngselet-1	Spodumenberget	100%	Exploration	Granted	450.07
Hamråde nr 100	Hamråde	100%	Exploration	Granted	1683.65
Hamråde nr 101	Hamråde	100%	Exploration	Granted	2744.59
Hamråde nr 102	Hamråde	100%	Exploration	Granted	131.32
Hamråde nr 103	Hamråde	100%	Exploration	Granted	252.05
Hamråde nr 104	Hamråde	100%	Exploration	Granted	260.91
Dyngselet nr 2	Spodumenberget	100%	Exploration	Granted	4981.06
Skorped nr 1	Spodumenberget	100%	Exploration	Granted	1086.64
Räggen nr 100	Räggen	100%	Exploration	Granted	1035

Lithium – Li, Li₂O or Li₂CO₃ ?

The lithium content of minerals and compounds is referred to in one of three units depending on the source quoted and the end-use referred to:

- lithium (Li) content
- lithium oxide (lithia, Li₂O) content
- lithium carbonate (Li₂CO₃) content or lithium carbonate equivalent (LCE)

Lithium oxide content is widely-used in the glass and ceramics industry, while LCE is commonly used for lithium compounds. The conversion factors are shown below.

Conversion Factors

To Convert from:	to Li x	to Li ₂ O x	to Li ₂ CO ₃ x
Lithium Li (100% Li)	1.00	2.53	5.32
Lithium Oxide Li ₂ O (Lithia)	0.46	1.00	2.47
Lithium Carbonate Li ₂ CO ₃ (40.3% Li ₂ O)	0.19	0.41	1.00
Lithium Hydroxide LiOH	0.29	0.63	1.55
<i>Spodumene LiAlSi₂O₆ (8.03%Li₂O)</i>	<i>0.037</i>	<i>0.08</i>	<i>0.20</i>
<i>Petalite LiAlSi₄O₁₀ (4.88%Li₂O)</i>	<i>0.023</i>	<i>0.05</i>	<i>0.12</i>