

Level 3, 1292 Hay Street
West Perth WA 6005

Locked Bag 8
West Perth WA 6872

T: +61 8 9322 1182

F: +61 8 9321 0556

info@neometals.com.au
neometals.com.au

Neometals Ltd ACN 099 116 631

8 November 2017

BARRAMBIE TITANIUM PROJECT - UPDATE

HIGHLIGHTS

- Final assays received for recent metallurgical drilling campaign.
- Significant high-grade intercepts returned from recent metallurgical drilling includes:
 - 71.0 metres at 34.1% TiO₂ and 0.86% V₂O₅, from surface to end of hole
 - 71.0 metres at 33.1% TiO₂ and 0.69% V₂O₅, from surface to end of hole
 - 71.0 metres at 32.4% TiO₂ and 0.82% V₂O₅, from surface to end of hole
 - 71.0 metres at 32.1% TiO₂ and 0.72% V₂O₅, from surface to end of hole
 - 71.0 metres at 32.3% TiO₂ and 0.75% V₂O₅, from surface to end of hole
 - 71.0 metres at 31.9% TiO₂ and 0.59 % V₂O₅, from surface to end of hole
- Beneficiation test work to prepare feed for piloting of Neomet Process nearing completion.
- Core has arrived in China for evaluation by a Chinese titanium processor.
- Mining Proposal lodged to cover extraction of bulk sample (~50kt) as part of the evaluation of the production of Direct Shipping Ore.
- Former Iluka and Talison executive, Mr Paul Wallwork appointed General Manager – Marketing and Product Development.
- POW lodged for resource development drilling to follow-up significant intercepts at Virginia Hills prospect including:
 - 19 metres at 16.4% TiO₂ and 0.41% V₂O₅, from 9m down hole
 - 19 metres at 17.7% TiO₂ and 0.42 % V₂O₅, from 52m down hole

Further to the announcement on the 11th September, Neometals Ltd (ASX: NMT) (“Neometals”) is pleased to provide an update on results from recent drilling at its Barrambie Titanium Deposit, one of the world’s highest-grade titanium deposits.

Drilling Results

During the July quarter, twenty (20) holes were drilled within the TiO₂ starter pit area for the purpose of collecting samples for metallurgical testwork. Results announced previously related only to the top 40 metres of each hole, corresponding to the planned depth of the initial starter pits.

All the right elements



For personal use only

Results for the remainder of the core have now been received and all results are reported in Table 1, below.

Target	Drill Hole Number	Co-ordinates GDA 94		dip	Azimuth	Depth	from (m)	to (m)	width (m)	TiO ₂ %	V ₂ O ₅ %	sample
		Easting	Northing									
Barrambie	BDDH050	710200	6962100	-85	240	71	0.0	71.0	71.0	22.9	0.57	Qtr PQ core
	BDDH051	710138	6962189	-85	60	71	0.0	71.0	71.0	25.9	0.58	Qtr PQ core
	BDDH052	710111	6962247	-90	000	71	0.0	71.0	71.0	18.6	0.42	Qtr PQ core
	BDDH053	710064	6962308	-90	000	71	0.0	71.0	71.0	32.1	0.72	Qtr PQ core
	BDDH054	710056	6962383	-90	000	71	0.0	71.0	71.0	17.8	0.51	Qtr PQ core
	BDDH055	710050	6962473	-80	240	71	0.0	71.0	71.0	22.2	0.66	Qtr PQ core
	BDDH056	710047	6962530	-90	000	71	0.0	71.0	71.0	27.4	0.67	Qtr PQ core
	BDDH057	710043	6962586	-85	60	71	0.0	71.0	71.0	24.3	0.56	Qtr PQ core
	BDDH058	710028	6962692	-85	60	71	0.0	71.0	71.0	24.4	0.59	Qtr PQ core
	BDDH059	709075	6965106	-85	240	71	0.0	71.0	71.0	34.1	0.86	Qtr PQ core
	BDDH060	709028	6965172	-90	000	71	0.0	71.0	71.0	27.9	0.58	Qtr PQ core
	BDDH061	708988	6965210	-85	60	71	0.0	71.0	71.0	32.3	0.75	Qtr PQ core
	BDDH062	708933	6965291	-80	240	71	0.0	71.0	71.0	22.5	0.62	Qtr PQ core
	BDDH063	708965	6965426	-70	240	71	0.0	71.0	71.0	14.4	0.57	Qtr PQ core
	BDDH064	708906	6965506	-85	60	71	0.0	71.0	71.0	32.4	0.82	Qtr PQ core
	BDDH065	708874	6965545	-90	000	71	0.0	71.0	71.0	10.8	0.39	Qtr PQ core
	BDDH066	708850	6965587	-85	240	71	0.0	71.0	71.0	31.9	0.59	Qtr PQ core
	BDDH067	708816	6965626	-80	240	71	0.0	71.0	71.0	23.5	0.52	Qtr PQ core
	BDDH068	708773	6965663	-80	240	71	0.0	71.0	71.0	33.1	0.69	Qtr PQ core
BDDH069	708714	6965740	-70	60	64.8	0.0	64.8	64.8	26.0	0.55	Qtr PQ core	

Table 1: Drilling and Assay Details - Barrambie Metallurgical Drilling

Holes were drilled using diamond drilling techniques producing PQ core samples, which were then geologically logged on site, and shipped to Perth for cutting and quarter core sampling. Sampling was conducted on 1m intervals downhole, whilst geological logging was completed in sufficient detail to support reporting of Exploration Results. Logging was both qualitative and quantitative; full descriptions were recorded on standard logging forms of lithology, alteration, and oxidation as well as percentage estimates of alteration minerals, and veining. Sample preparation and analysis was conducted by Intertek. Whole rock analysis of a standard iron ore suite was conducted by lithium borate fusion and ICP finish.

Beneficiation and Pilot Hydrometallurgical Test work

The beneficiation (variability) test work will be completed this month and the majority of the concentrates will be freighted to the Company's laboratory in Montreal for the scheduled pilot plant testing of the Neomet Process in Canada. The Company plans to commence pilot testing in the June Quarter 2018 after the Lithium-ion Battery Recycling pilot campaign, which will be commissioned in December.

Evaluation of Direct Shipping Ore (DSO) Operation and Mining Proposal

The Company is evaluating the fast-track start-up of Barrambie as a DSO operation (in parallel with concentration of the ore into a titaniferous magnetite concentrate in China). The Company has delivered a representative sample of Barrambie ore from the planned starter pits to China for evaluation by a titanium processor. If the customer performance tests of the ore are positive and logistic studies show it is viable, the Company will negotiate the sale of ore, on terms that recognise the contained value in the ore, to selected processors in the titanium supply chain.

A draft Mining Proposal for Small Operation (MPSO) has been lodged to cover extraction of a bulk sample of up to 50,000t.

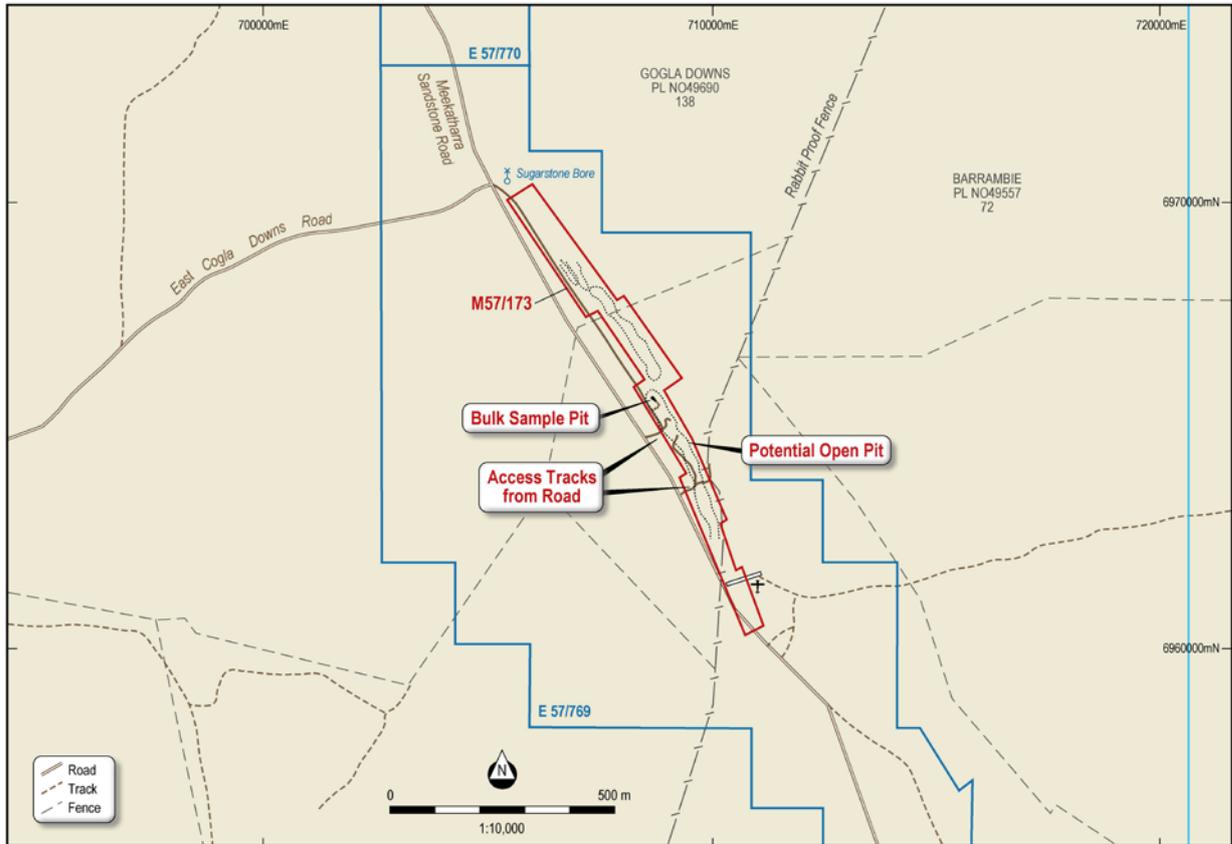


Figure 1: Barrambie Project Plan

Appointment of General Manager – Marketing and Product Development

During October former Iluka and Talison executive, Mr Paul Wallwork, was appointed to the role of General Manager - Marketing and Product Development. Mr Wallwork has nearly 30 years of experience working in the chemicals and minerals industries, primarily in technical sales, international marketing and management roles. Most recently, in the role of Trading Manager at Iluka Resources, Mr Wallwork was responsible for various mineral trading activities including the export sale of iron and heavy mineral concentrates, third-party mineral processing arrangements and the development of new markets for by-products. During several previous years of employment with Iluka he was Marketing Manager for Europe and then Asia. In the five-year period from 2008 to 2013 Mr Wallwork held the roles of Marketing Manager and General Manager Marketing at Talison with responsibility for export sales of tantalum, tin and lithium minerals.

Virginia Hills Resource Extension Drilling

During the September Quarter, Neometals successfully completed an exploratory drilling programme of a single line of 7 RC holes at the Virginia Hills prospect located approximately 5 kilometres to the west of Barrambie (refer to announcement 11 September for drilling details and full results).

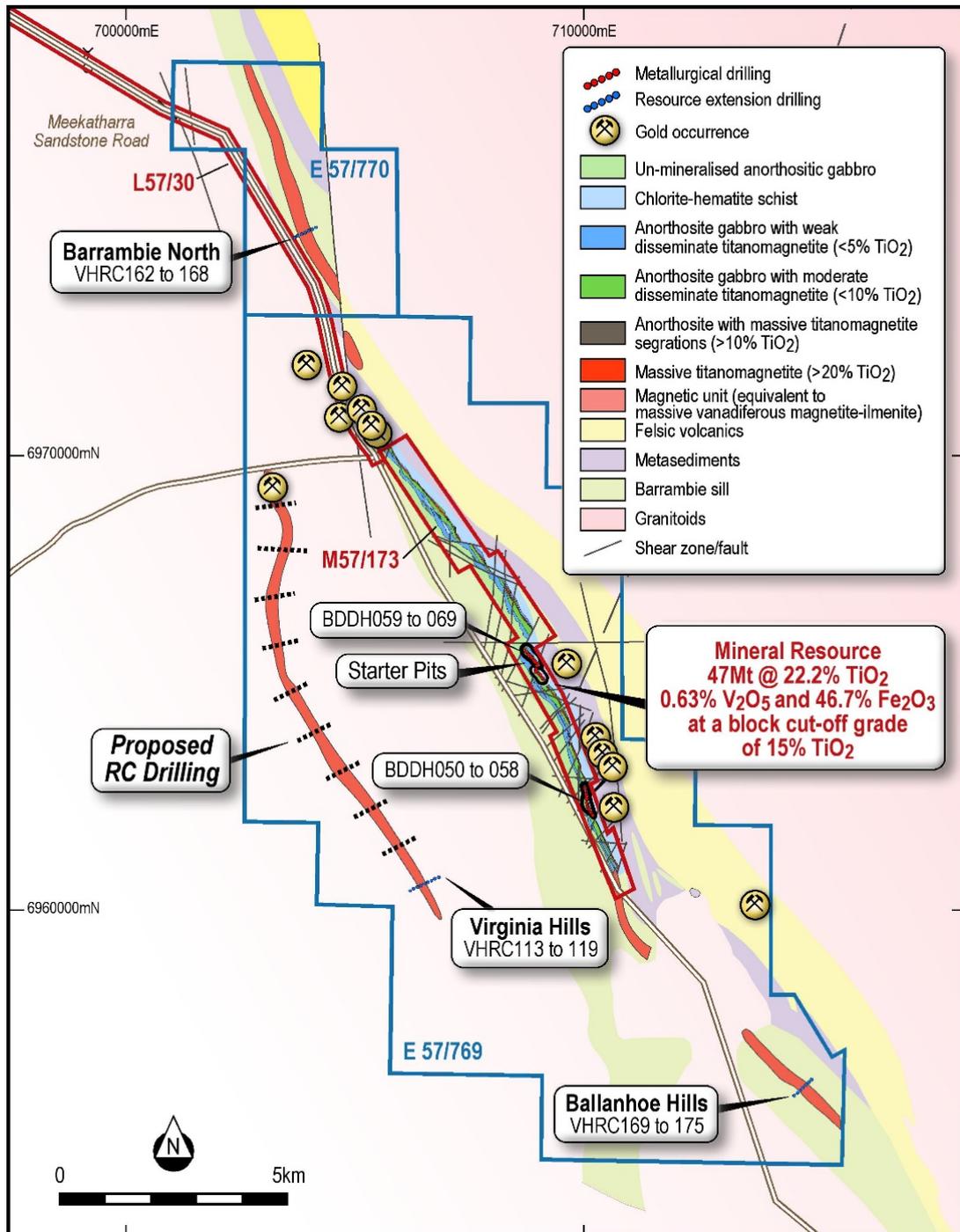


Figure 1: Barrambie Project Geology showing location of recent drilling at Barrambie and Virginia Hills

For personal use only

The Virginia Hills prospect is interpreted to be a repetition or folded limb of the Barrambie mineralisation and has been delineated by geophysics over approximately 10 kilometres strike length. These recent holes are the first holes drilled at the prospect to date and intersected disseminated and massive titanomagnetite layers similar to that occurring at Barrambie. Significant intercepts included 19 metres at 16.4% TiO₂ and 0.41% V₂O₅ and 19 metres at 17.7% TiO₂ and 0.42 % V₂O₅ (see announcement 11 September for further drill details).

A Program of Work (POW) has been lodged for a RC drill campaign of 30 RC holes to further delineate and assess the potential of this prospective new zone of mineralisation.

ENDS

For further information, please contact:

Chris Reed

Managing Director

Neometals Ltd

T: +61 8 9322 1182

E: info@neometals.com.au

Media

Michael Weir / Cameron Gilenko

Citadel MAGNUS

T: +61 8 6160 4900

COMPETENT PERSONS STATEMENT

The information in this market announcement is extracted from the reports entitled Barrambie Resource Estimate December 2013, and Barrambie Prefeasibility Study August 2015 and announced 6 December 2013 and 25 August 2015.

Neometals Limited confirms it is not aware of any new information or data that materially affects the information in the original market announcements relating to Barrambie mineral resources and pre-feasibility study, that all material assumptions and technical parameters underpinning the Barrambie mineral resource estimate continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to Exploration Targets and Exploration Results is based on information compiled by Clay Gordon, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and Australia Institute of Geoscientists. Mr Gordon is employed by Advance Geological Consulting Pty Ltd, an independent consultant to Neometals Limited. Mr Gordon has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gordon consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

APPENDIX A: SUPPORTING INFORMATION



Figure 3: Barrambie Titanium Project – location plan

JORC Mineral Resources

Barrambie Titanium Project has Mineral Resources of 47.2 million tonnes at 22% TiO₂ (total Indicated and Inferred) (announcement ASX:RDR 6 December 2013).

Category JORC 2012	Tonnage (Mt)	TiO ₂ (%)	V ₂ O ₅ (%)	Fe ₂ O ₃ (%)	Al ₂ O ₃ (%)	SiO ₂ (%)
Indicated	34.7	22.25	0.64	46.77	9.48	14.95
Inferred	12.5	21.99	0.58	46.51	9.32	15.40
Total	47.2	22.18	0.63	46.70	9.44	15.07

Table 2: Barrambie Titanium Project – Mineral Resources (above 15% TiO₂ block cut off)

The ferrovanadium titanium (Ti-V-Fe) deposit occurs within the Archaean Barrambie Greenstone Belt, a narrow, NNW-SSE trending greenstone belt in the northern Yilgarn Craton. The linear greenstone belt is about 60 km long and attains a maximum width of about 4 km. The Barrambie Sill extends over a distance of at least 25 km approximately half of which is covered by Neometal's tenements where it varies in width from 500 m to 1700 m.

The sill is comprised of anorthositic magnetite-bearing gabbros that intrude a sequence of metasediments, banded iron formation, metabasalts and metamorphosed felsic volcanics of the Barrambie Greenstone Belt. The metasediment unit forms the hanging-wall to the layered sill complex.

Ti-V-Fe mineralisation occurs as bands of cumulate aggregations of vanadiferous magnetite (martite)-ilmenite (leucoxene) in massive and disseminated layers and lenses. Titanium rich horizons tend to be focussed in the relatively wider band on the eastern margin of the Sill.

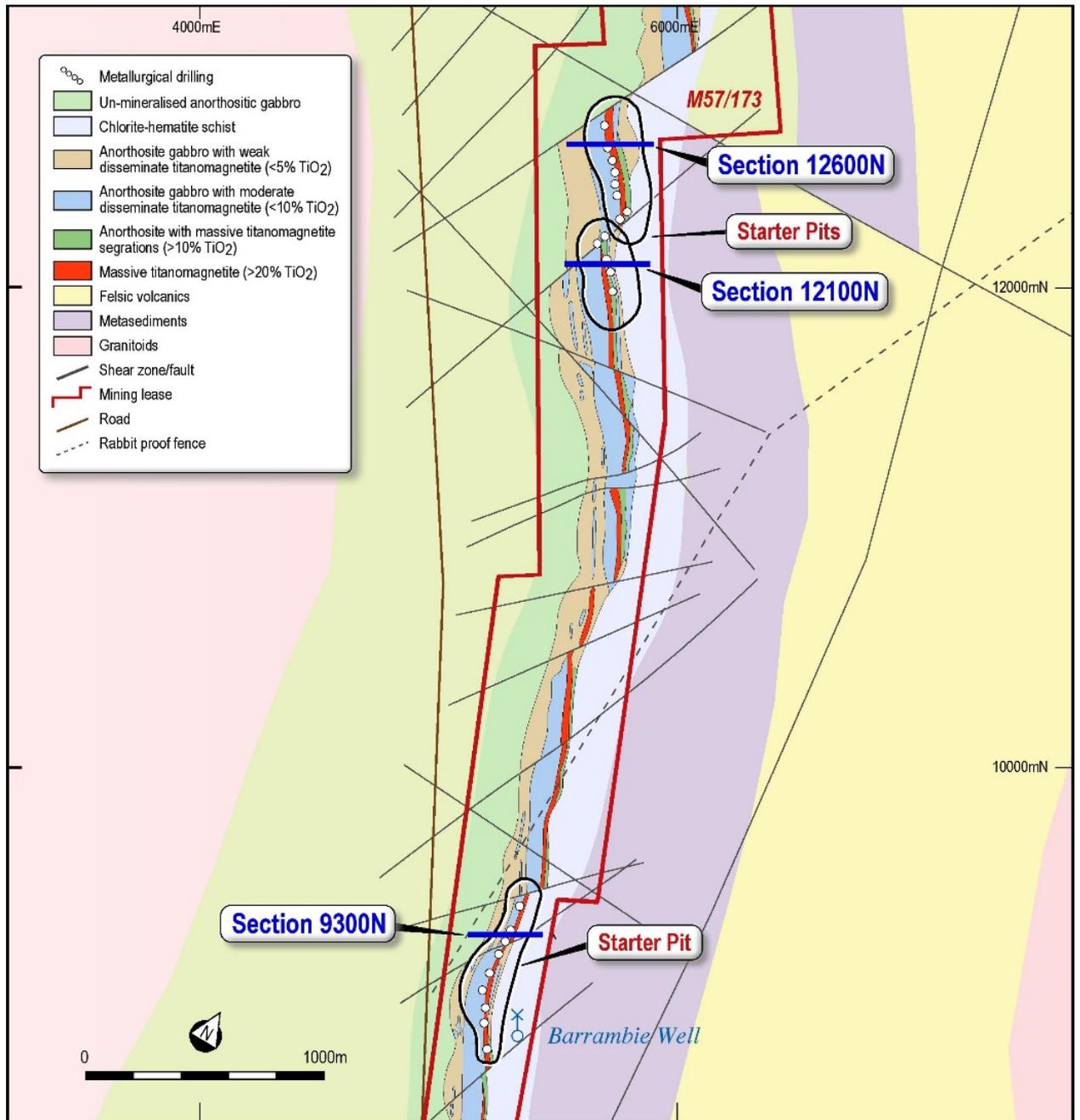


Figure 4: Barrambie Geology, location of starter pits and recent metallurgical drill holes.

For personal use only

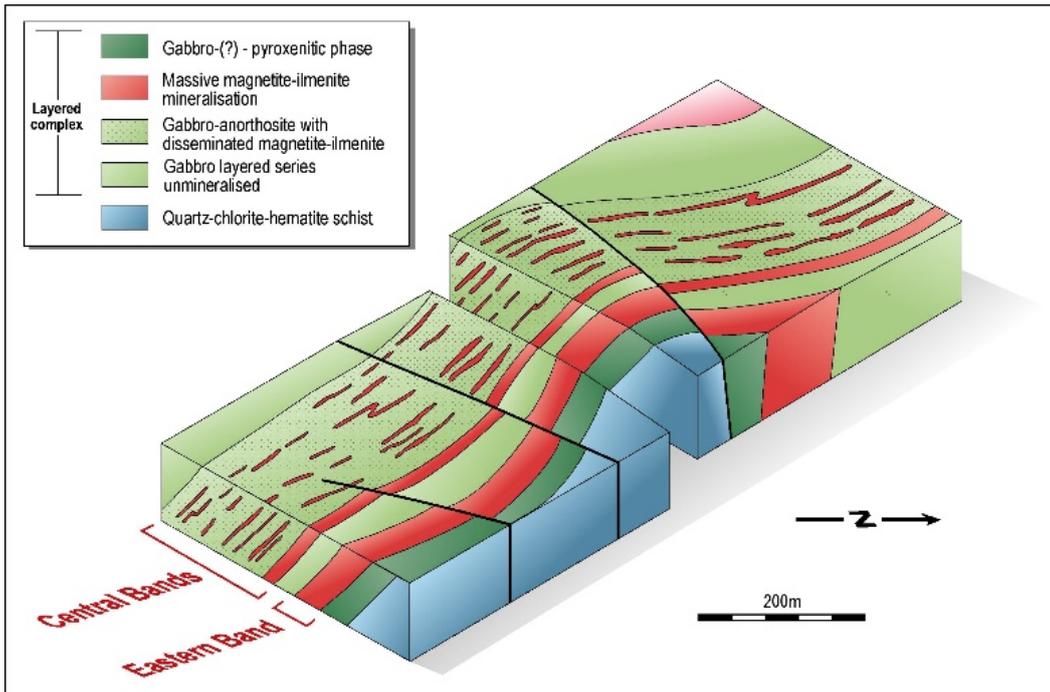


Figure 5: Barrambie deposit geology

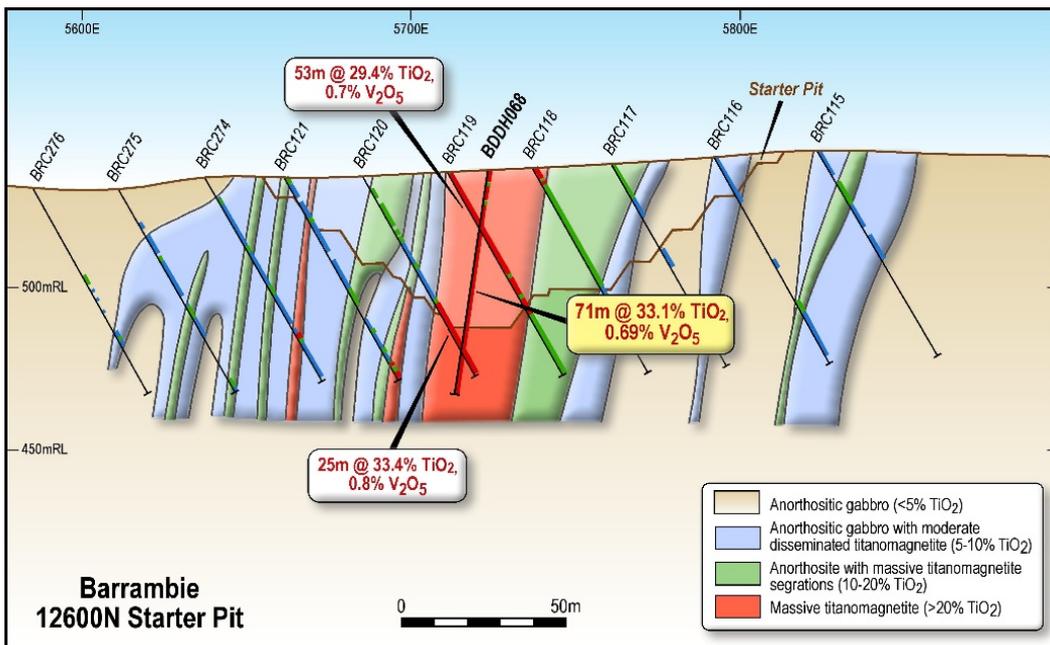


Figure 6: Cross Section 12600N within starter pit showing recent metallurgical core hole

For personal use only

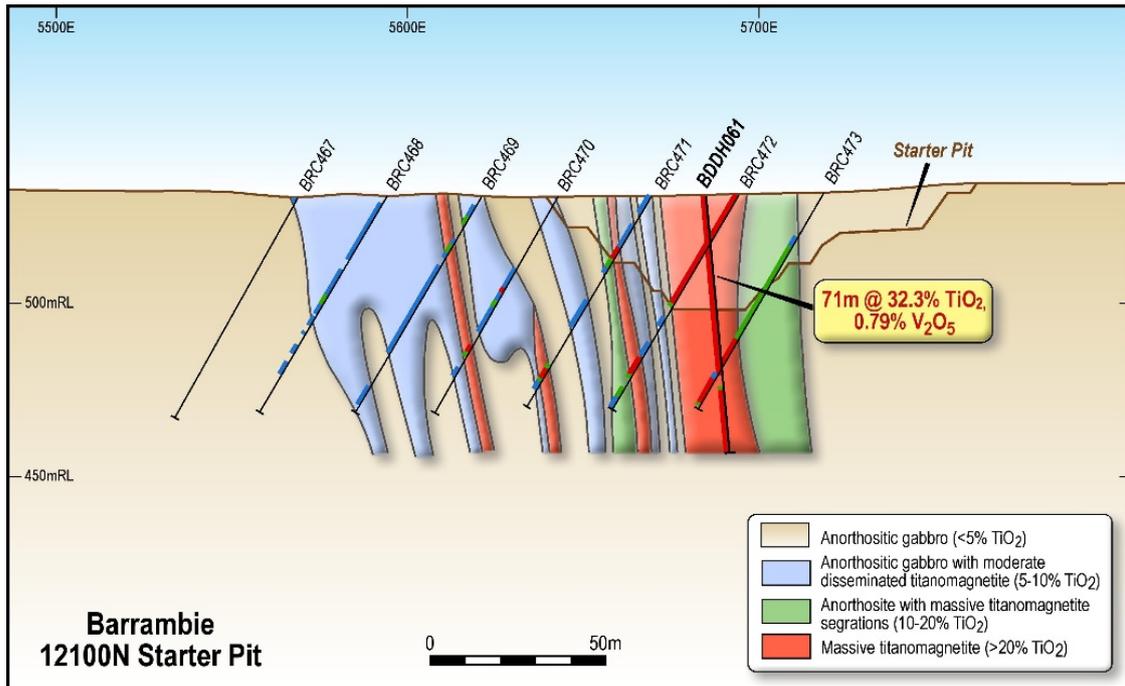


Figure 7: Cross Section 12100N within starter pit showing recent metallurgical core hole

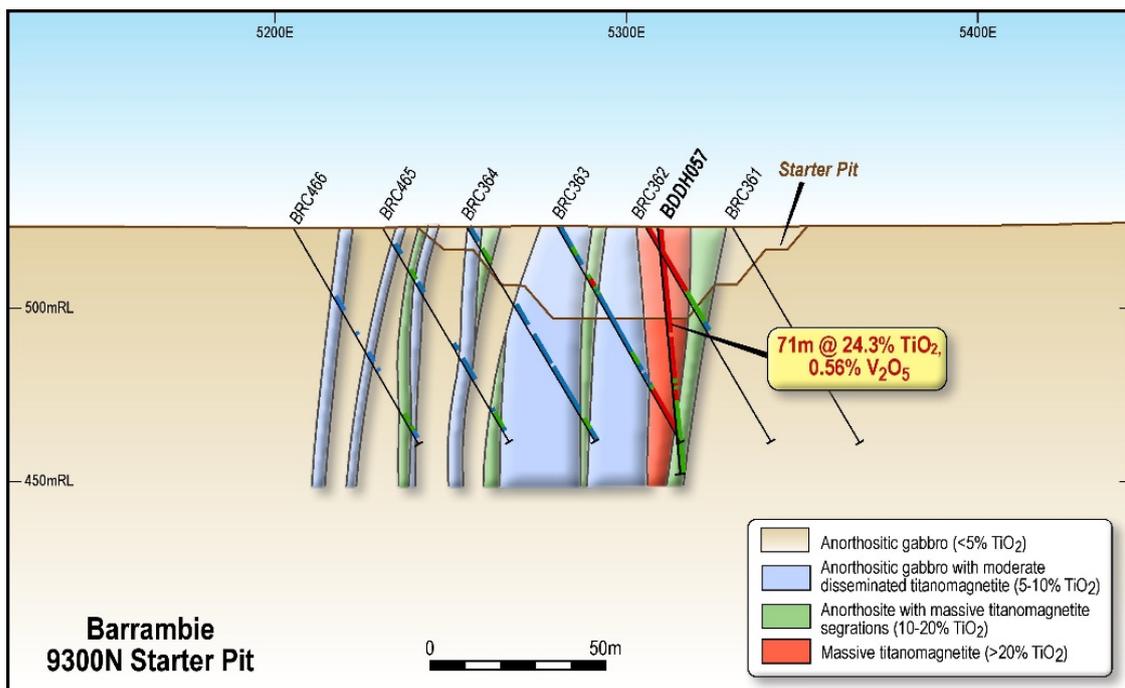


Figure 8: Cross Section 12100N within starter pit showing recent metallurgical core hole

For personal use only

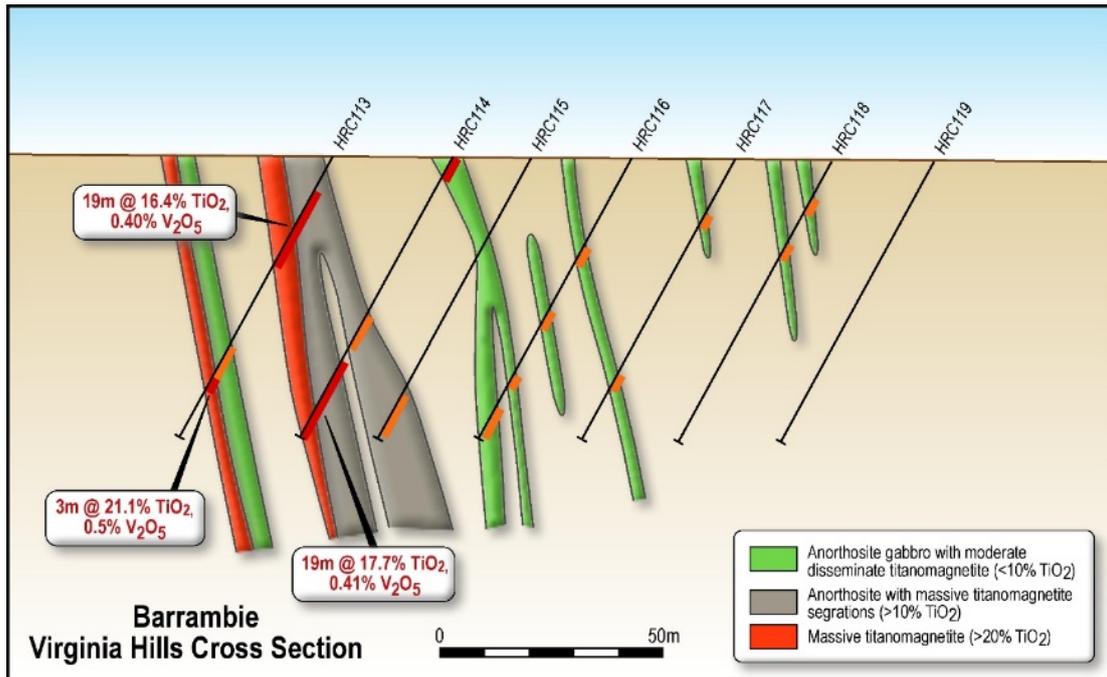


Figure 8: Maiden drill traverse at Virginia Hills

JORC Table 1, Section 1, Sampling Techniques, and Data

Criteria	Commentary
Sampling techniques	Metallurgical drilling comprises 20 PQ core holes. Core was ¼ cut for assaying in 1metre lengths.
Drilling techniques	Metallurgical drilling was conducted by PQ coring technique.
Drill sample recovery	A qualitative logging code was used to record recovery for the recent RC and DD drilling. Recovery of samples is considered to be good.
Logging	Geological logging of core and rock chips was carried out recording lithology, major minerals, oxidation, colour, texture, mineralisation, water and recovery. The logging was carried out in sufficient detail to meet the requirements of resource estimation and mining studies.
Sub-sampling techniques and sample preparation	All samples were dried, crushed to approximately 2mm, split and pulverised.
Quality of assay data and laboratory tests	No field QAQC data was conducted by Neometals. Intertek Genalysis conducted their own internal QAQC, with no issues being reported.

Verification of sampling and assaying	Data was recorded in the field on paper logs and transferred to individual .xls files prior to merging with project database. No twin holes were drilled and no verification of significant intersections by independent laboratories has been undertaken.
Location of data points	Drill collar and azimuth were pegged in the field using GDA94 system by independent surveyors.
Data spacing and distribution	Metallurgical holes were spaced at 50m intervals along the strike of the Barrambie TiO ₂ deposit.
Orientation of data in relation to geological structure	Metallurgical holes were drilled within plane of the Barrambie mineralisation.
Sample security	Samples were stored onsite and transported to the laboratory on a regular basis by Neometals employees.
Audits or reviews	No audits or reviews of sampling techniques and data have been conducted.

JORC Table 1, Section 2, Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The Barrambie mineralisation is within 100% owned granted mining lease M57/173 in the Eastern Murchison Goldfields. No known impediments exist to operate in the area.
Exploration done by other parties	No relevant exploration has been completed by other parties to acknowledge or appraise at this time.
Geology	<p>The ferrovanadium titanium (Ti-V-Fe) deposit occurs within the Archaean Barrambie Greenstone Belt, which is a narrow, NNW-SSE trending greenstone belt in the northern Yilgarn Craton. The linear greenstone belt is about 60 km long and attains a maximum width of about 4 km. It is flanked by banded gneiss and granitoids. The mineralisation is hosted within a large layered, mafic intrusive complex (the Barrambie Igneous Complex), which has intruded into and is conformable with the general trend of the enclosing Greenstone Belt. From aeromagnetic data and regional geological mapping, it appears that this layered sill complex extends over a distance of at least 25 km into tenements to the north and south of M57/173. The layered sill varies in width from 500 m to 1700 m.</p> <p>The sill is comprised of anorthositic magnetite-bearing gabbros that intrude a sequence of metasediments, banded iron formation, metabasalts and metamorphosed felsic volcanics of the Barrambie Greenstone Belt. The metasediment unit forms the hanging-wall to the layered sill complex.</p>

	<p>Exposure is poor due to deep weathering, masking by laterite, widespread cover of transported regolith (wind-blown and water-borne sandy and silty clay), laterite scree and colluvium. Where remnant laterite profiles occur on low hills, there is ferricrete capping over a strongly weathered material that extends down to depths of 70 m.</p> <p>Ti-V-Fe mineralisation occurs as bands of cumulate aggregations of vanadiferous magnetite (martite)-ilmenite (leucosene) in massive and disseminated layers and lenses.</p> <p>Within the tenement the layered deposit has been divided into five sections established at major fault offsets. Cross faults have displacements that range from a few metres to 400 m. The water table occurs at about 35 m below the surface (when measured where the laterite profile has been stripped).</p>
Drill hole Information	See Tables and Figures in body of announcement.
Data aggregation methods	For the metallurgical drilling within the Barrambie high grade deposit, all assays for the hole assayed have been aggregated.
Relationship between mineralisation widths and intercept lengths	Metallurgical holes were drilled entirely within the plane of the ore hence do not reflect true width of the orebody.
Diagrams	See body of announcement for Project geology, drill hole locations, schematic geology and drill cross sections.
Balanced reporting	All results have been reported.
Other substantive exploration data	See ASX announcements 11 September 2017 and 6 December 2013 for further information regarding the Barrambie deposit.
Further work	Further exploration work is planned and discussed in this announcement.