

MoU for Kalgoorlie Lithium Refinery Site and Infrastructure

Highlights

- Option agreement executed with City of Kalgoorlie-Boulder for sub-lease of site for Neometals lithium hydroxide refinery
- Proposed 40 hectare location is only 70km from the existing Mt Marion Lithium Operations, 5km from Kalgoorlie township and adjacent to critical infrastructure
- Kalgoorlie lithium hydroxide refinery is part of Neometals' strategy to realise maximum value from its lithium feedstocks at a time of unprecedented global demand for battery raw materials and chemicals
- FEED study for the refinery is in progress, process testing completed

Neometals Ltd (ASX: NMT) ("Neometals" or the "Company"), is pleased to announce it has entered into an option agreement with the City of Kalgoorlie-Boulder ("CKB") to sub-lease a 40 hectare site in a new industrial estate at West Kalgoorlie on the Great Eastern Highway, 70km by road from the Neometals part-owned Mt Marion Lithium Operations ("Mt Marion").

The agreement provides Neometals with a two-year option over the site (with provision for an additional two-year extension), during which time it will undertake due diligence and Front End Engineering Design ("FEED") studies as part of a broader project feasibility study for the refinery which is underway.

Further, Neometals and the CKB have executed a Memorandum of Understanding ("MoU") providing for assistance in procurement of certain infrastructure and utilities for the proposed Kalgoorlie Lithium Refinery ("KLR").

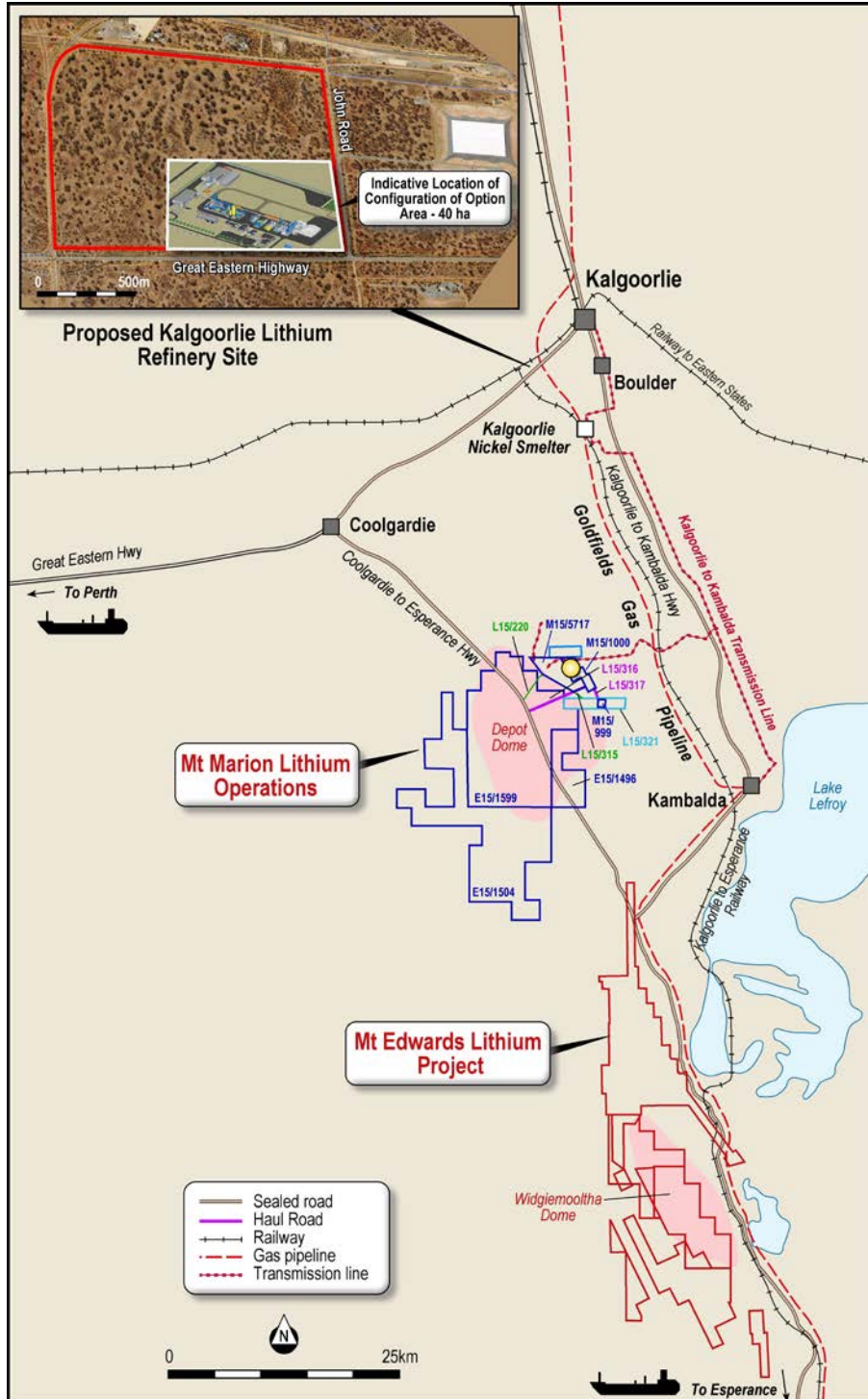
The KLR will have an initial 10,000tpa lithium hydroxide production capacity. Lithium concentrate feed will come from the Company's offtake option right from the Mt Marion Lithium Operations, in which it has a 13.8% project ownership stake. Outstanding vendor lithium hydroxide test results (see NMT ASX Announcement 10th April 2018) provided Neometals with additional confidence to proceed with a FEED study for the KLR (see NMT ASX Announcement 1 May 2018) which will be integrated into the Company's Feasibility Study for the KLR. Neometals plans to make a final investment decision on KLR plant construction in the June quarter of 2019.

Neometals Chief Executive Officer, Chris Reed said:

"Neometals has been investigating sites for some time and this Kalgoorlie location makes a lot of sense. The strategy to move Neometals downstream towards lithium chemical production is part of a broader evolution of our lithium business arm. The aim is to develop a closed loop lithium ecosystem with access to the lithium raw material source, value adding for use in the battery supply chain and ultimately, recycling of spent batteries. We are already part of the global lithium supply chain which gives us clear industry insights and confidence in the future demand outlook for lithium hydroxide from hard rock."

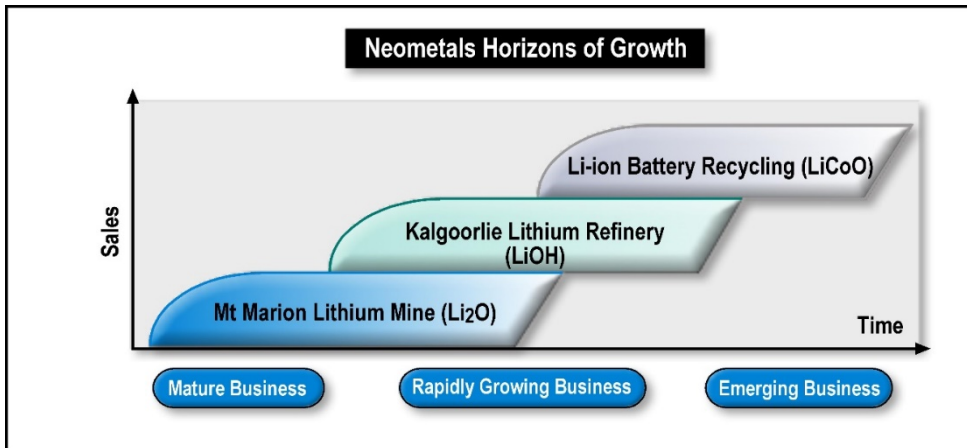
Kalgoorlie is not only very close to our Mt Marion operation and all the services that a first-class mining town brings, but it also provides a cost advantage owing to the removal of transport, shipping and taxes. Reducing transport reduces the environmental footprint which supports margins, but it's also a critical consideration for the end users who must account for the full life cycle of the materials they consume. Add to that Kalgoorlie's land availability, leasing rates, access to power/water/gas and a willing local workforce - and the location becomes very compelling."

Figure 1 – Proposed Kalgoorlie Lithium Refinery site location



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Figure 2 – Horizons of growth image depicting the Neometals transition downstream into the lithium value chain.



Next Steps

Next key steps for Neometals to advance its lithium business arm objectives include:

- Continuing due diligence, FEED and feasibility studies for the KLR;
- Advance offtake dialogues and the formal partner selection process;
- Working with the City of Kalgoorlie Boulder to progress fundamental service agreement terms including provision of access roads, reclaimed water pipeline etc for the KLR; and
- Finalising the KLR funding strategy.

Neometals is now well advanced in its process with a clear location, progress into early engineering/feasibility for the KLR and an expectation of seeking an investment decision in relation to the KLR in the June quarter of 2019 as per the indicative timeline provided below:

Figure 3 - KLR Indicative Key Dates and Schedule

Vendor Testwork/Updated Cost Study	March 2018	Completed
Commence FEED Study	May 2018	Underway
Source suitable plant location	May 2018	Completed
FEED Study Results	March Q 2019	
Feasibility Study Results and Investment Decision	June Q 2019	
Start Commissioning (subject to Investment Decision)	Mid 2021	

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About Neometals Ltd



Neometals Limited ("Neometals" - ASX:NMT) is a developer of industrial mineral and advanced materials projects. Neometals has two key divisions – a fully integrated Lithium business and a Titanium-Vanadium development business. Both are supported by proprietary technologies that support downstream integration through revenue enhancement and cost efficiencies.

Neometals owns a 13.8% stake in the Mt Marion lithium mine near Kalgoorlie, which operates one of the world’s biggest lithium concentrators. Neometals holds an offtake option, which forms the backbone to its fully-integrated lithium business aspirations which include a Lithium Hydroxide Refinery and Lithium-ion Battery Recycling process. The 100%-owned Barrambie Titanium-Vanadium Project in WA’s Mid-West is one of the world’s highest-grade hard-rock titanium-vanadium deposits.

Neometals’ strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins.

The company aims to leverage its cashflows to grow opportunities that provide sustainable mineral and material solutions to customers and to return value to shareholders.