

# MT EDWARDS NICKEL - DRILL RESULTS FROM WIDGIE SOUTH TREND

## HIGHLIGHTS

- High grade nickel sulphide assay results from RC drilling across the Mt Edwards 'Widgie South Trend'
- Drill assay results include: 16 metres @ 1.45% nickel including 2 metres @ 4.79% and 5 metres @ 1.81% nickel; 21 metres @ 1.05% nickel including 4 metres @ 2.42% nickel; and 7 metres @ 1.37% nickel including 3 metres @ 2.39% nickel.
- Drilling highlights significant increases in mineralised strike extent at the Widgie South Trend
- Further nickel sulphide targets identified with Down-Hole Electromagnetic surveys (DHEM)
- Assay results, Geological logging and DHEM are refining the geological models to assist future targeting
- Follow up drilling to test DHEM targets and Mineral Resource extension is to commence in Q1 2020

Neometals Ltd (ASX: NMT) ("Neometals" or "the Company") is pleased to announce encouraging assay results from reverse circulation ("RC") drilling at the Mt Edwards nickel project. Drilling, sampling and down-hole electromagnetic ("DHEM") surveys were conducted across the Widgie 3 and Gillett deposits and the Widgie 3 North, Rhona and Widgie 3 South prospects. These deposits and prospects (including Widgie Townsite) are collectively known as the "Widgie South Trend" and are located on Mining Lease M15/94 south of the community of Widgiemooltha. In addition, further drilling was carried out at the Lake Eaton prospect on Exploration Licence E15/989.

The Gillett deposit was only 'discovered' late in 2006, and shortly after, the global financial crisis of 2008 curtailed the previous owners from undertaking drill definition that would typically be carried out to confirm the deposit's mineralised extents. Neometals' drilling at Widgie South Trend and Lake Eaton comprised 15 RC holes for a total of 2,749 metres and included a sampling and assay program with rigid QAQC controls that will enable results to be used in potential future Mineral Resource estimations. Assay results support the interpretation of thick disseminated nickel sulphide intercepts (up to 21 metres down-hole width) with smaller high-grade zones of matrix, semi-massive to massive nickel sulphide. The results also confirm strike extension of nickel mineralisation at Gillett, both to the North (~110 metres) and to the South (~275 metres), supporting at least a 50% increase in known strike length beyond the current Gillett Mineral Resource.

Neometals is progressively increasing the quantity and quality of its Mt Edwards Nickel Mineral Resources and improving the geological understanding with modern geophysics. The Company is very pleased with the outcomes of this exploration program, which represents the first drilling for nickel at the Widgie South Trend since April 2008. The 4 km long Widgie South Trend zone, with its three Mineral Resources, contains an estimated 67kt of nickel, in a pro-mining jurisdiction located near major road, rail and energy infrastructure in a world class nickel camp.

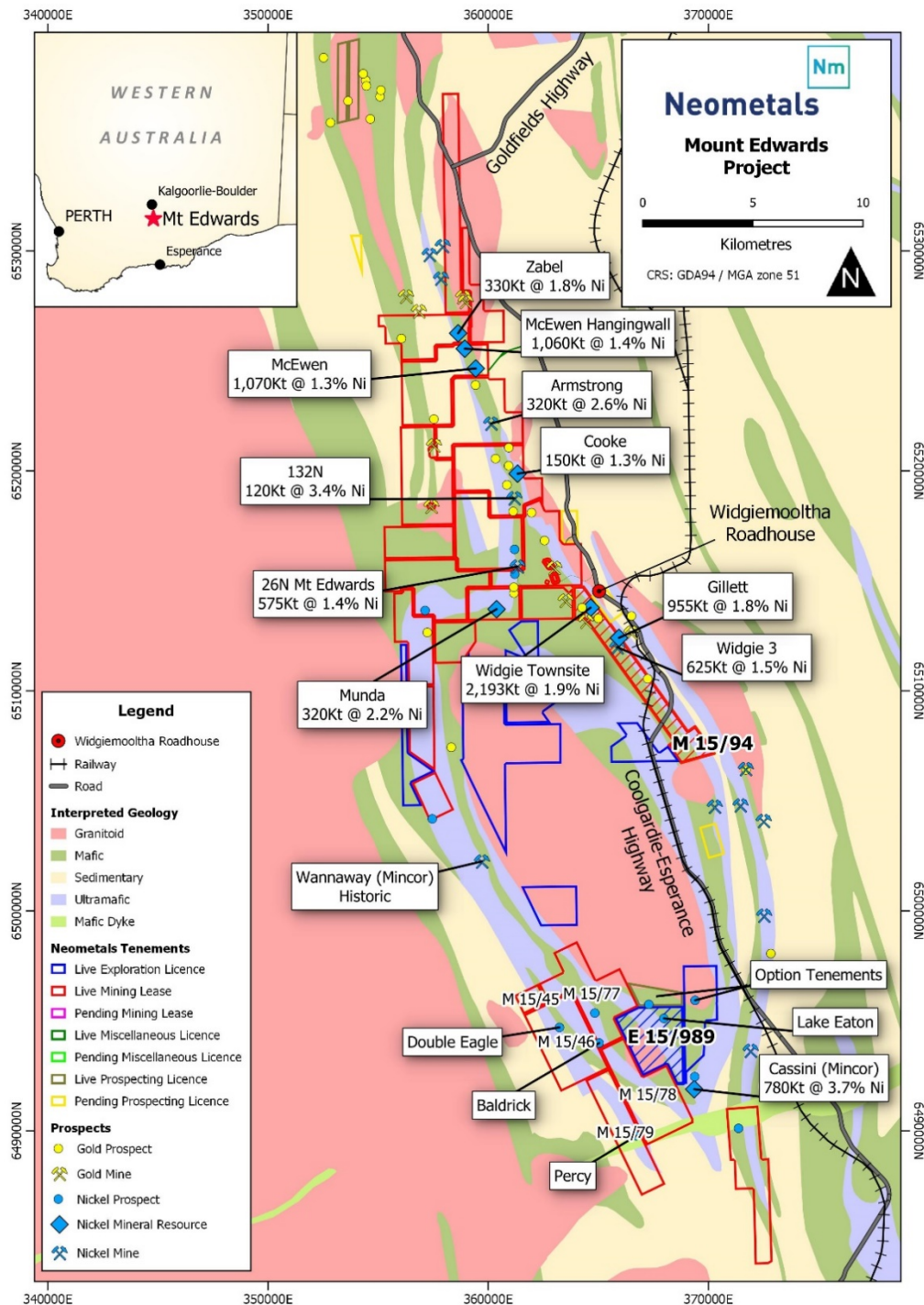
In addition to the positive assay results, Neometals has conducted DHEM surveys on all 13 drill holes completed at the Widgie South Trend which show several conductors considered to be strong targets for nickel sulphide mineralisation. Further DHEM surveys are currently being conducted on historic drill holes across the Widgie South Trend to generate further drill targets.

The Company now has confidence that additional work in the area is justified and is keen to realise the potential of the Widgie South Trend. Work planned for Q1 2020 includes infill drilling to improve the understanding of the Gillett, Widgie 3 and Widgie Townsite deposits, and to test the modelled electromagnetic ("EM") targets.

**Background**

The Mt Edwards nickel project is centred around the small township of Widgiemooltha, located 90 kilometres south of Kalgoorlie in Western Australia. The project consists of 44 granted and pending mining tenements located over 50 kilometres of strike length of the Widgiemooltha Dome. The Widgiemooltha Dome is a world class nickel sulphide camp with several historical nickel mines.

In September and October 2019 an RC drill program was conducted around the Widgie 3 and Gillett deposits, and at the Widgie 3 North, Rhona and Widgie 3 South prospects. Along with the Widgie Townsite deposit, this area, located on Mining Lease M15/94, is collectively known as the “Widgie South Trend”. In addition, two RC holes were drilled at the Lake Eaton prospect on Exploration Licence E15/989.



**Figure 1** - Location of the Widgie South Trend on mining lease M15/94 (red diagonal stripes), and the Lake Eaton Prospect on exploration licence E15/989 (blue diagonal stripes).

For personal use only



The Widgie South Trend is the most heavily mineralised area across the Mt Edwards project. This 4 km long zone includes the Widgie Townsite, Widgie 3 and Gillett Mineral Resources, with a combined estimate of 3.77 million tonnes at 1.8% nickel for a total 66,930 nickel tonnes.

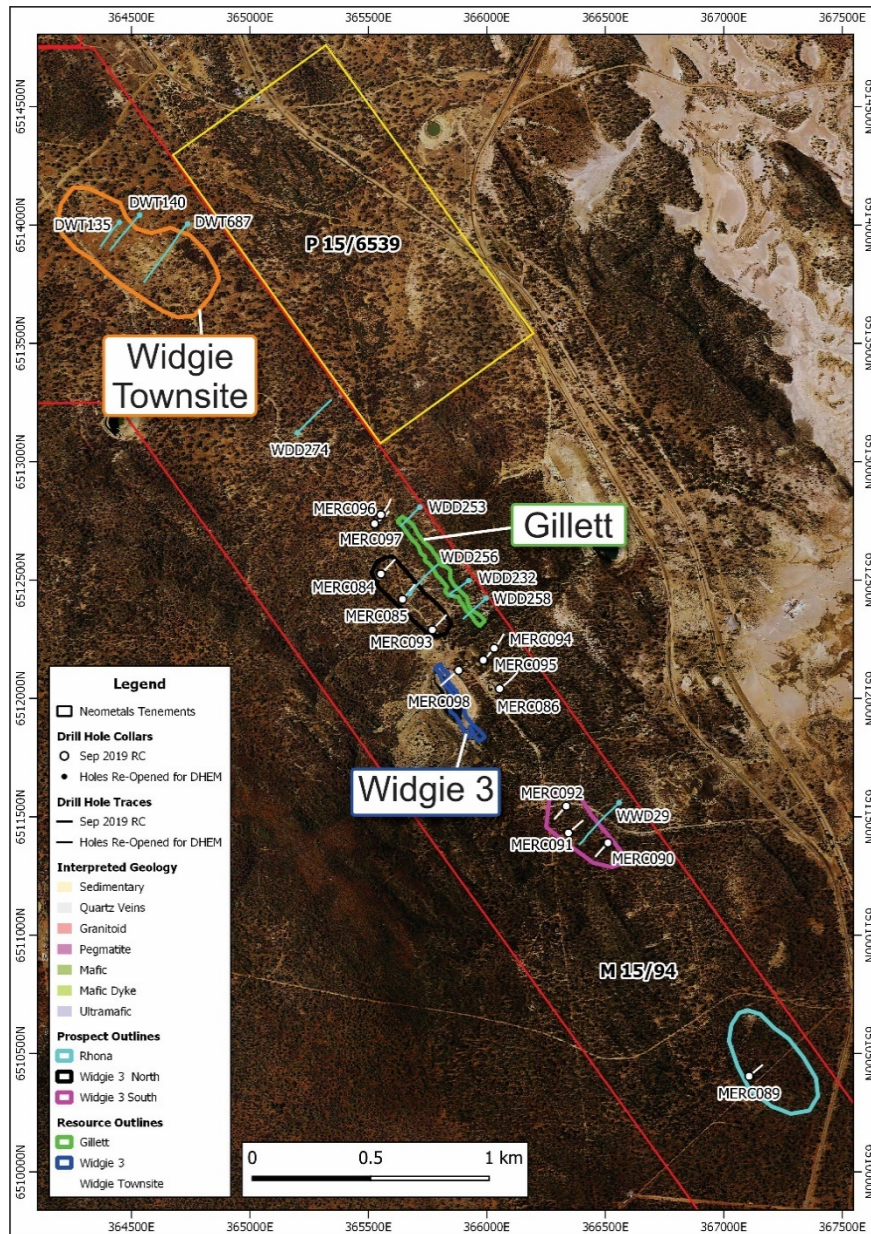


Figure 2 - Location of the recent RC drill hole collars and drill traces on an aerial photo with outlines of the Widgie Townsite, Widgie 3 and Gillett Mineral Resources, and the Widgie 3 South, Widgie 3 North and Rhona prospects on Mining Lease M15/94.

Table 1 - Nickel Mineral Resource Estimates at Widgie South Trend, a 4km zone on M15/94

Deposit	Indicated		Inferred		TOTAL Mineral Resources		
	Tonne (Kt)	Nickel (%)	Tonne (Kt)	Nickel (%)	Tonne (Kt)	Nickel (%)	Nickel (t)
Widgie Townsite*	2,190	1.9			2,190	1.9	40,720
Gillett*			955	1.8	955	1.8	17,050
Widgie 3*			625	1.5	625	1.5	9,160
<b>TOTAL</b>	<b>2,190</b>	<b>2</b>	<b>1,580</b>	<b>1.7</b>	<b>3,770</b>	<b>1.8</b>	<b>66,930</b>

\*For full details refer to ASX announcement entitled "Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes" released on 25 June 2018

For personal use only

## Significant Assay Results and Geological Interpretation

Drilling at the Widgie South Trend primarily focussed on the ultramafic - basalt contact along strike from the Gillett and Widgie 3 Nickel Mineral Resources. Additional drilling at Widgie South Trend targeted EM conductors from re-interpreted historical geophysics, combined with available surface and drill hole geochemistry, and a reinterpretation of the structural setting.

Mineralisation seen in the drilling at Gillett and Widgie 3 includes thick disseminated nickel sulphide intercepts (up to 16 and 21 metres down-hole width respectively) with smaller high-grade zones of matrix, semi-massive to massive nickel sulphide. Significant results are tabled below.

**Table 2 - Significant intercepts from the September- October 2019 Widgie South Trend RC drill program**

Prospect	Hole ID	Interval	Ni %	Cu ppm	As ppm	From	To	Tenement	Depth metre
Widgie 3 North	MERC084	2	2.04	2936	150	57	59	M15/94	150
Widgie 3 North	MERC086	2	1.33	1481	291	172	174	M15/94	204
Widgie 3 South	MERC091	1	1.19	1008	456	71	72	M15/94	150
Widgie 3 North	MERC093	1	1.16	1518	90	49	50	M15/94	150
Widgie 3 North	MERC094	2	1.14	4685	2039	91	93	M15/94	240
Gillett	MERC095	7	1.37	2007	532	209	216	M15/94	270
incl.	MERC095	3	2.39	2093	593	210	213	M15/94	270
incl.	MERC095	1	1.02	617	65	228	229	M15/94	270
Gillett	MERC096	16	1.45	2318	393	206	222	M15/94	222
incl.	MERC096	2	4.79	10096	30	206	208	M15/94	222
incl.	MERC096	5	1.81	2337	1050	217	219	M15/94	222
Gillett	MERC098	21	1.05	939	951	132	153	M15/94	192
incl.	MERC098	4	2.42	1529	1670	149	153	M15/94	192

Note: Significant intercepts are contiguous samples with assay results greater than 0.3% nickel, with an average grade greater than 1% nickel. Up to 1 metre internal dilution (less than 0.3% nickel) may be included in the intercept.

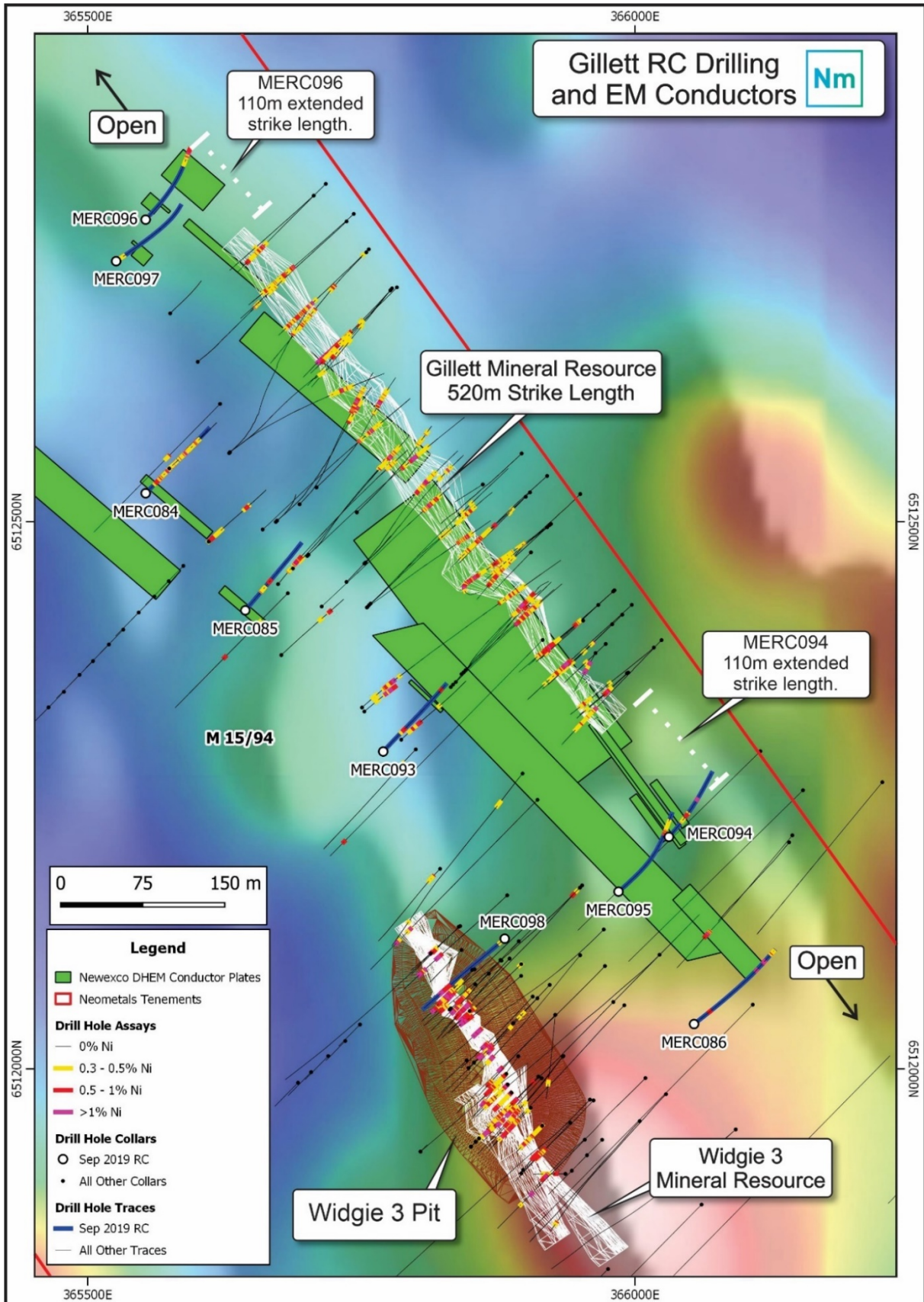
The geology intercepted in the drilling at the extensions of Gillett support nickel mineralisation in an ultramafic komatiite located at and near the basalt contact on the overturned eastern limb of an anticline. Mineralisation is steeply dipping to the west at about 75° to 80°, with negligible plunge orientation.

Assay results from drill hole MERC096 confirm strike extension of nickel mineralisation for Gillett to the northwest by at least 110 metres, while results from drill holes MERC094 and MERC095 to the southeast support a strike extension of an additional 110 metres. It is plausible that mineralisation to the southeast may continue as far as MERC086, which would add 275 metres to the current interpretation. Whilst infill drilling is required to confirm continuity it is currently interpreted that the strike length of mineralisation at Gillett could be increased by at least a 50%.

Drill hole MERC098 confirmed nickel mineralisation at the Widgie 3 Mineral Resource below the abandoned open pit. Drill holes MERC084 and MERC093 intersected modest grade, but very wide nickel mineralisation at Widgie 3 North, and MERC091 had a 1 metre intercept of 1.2% nickel at 71 metres down hole at Widgie 3 South.

Drilling at the Lake Eaton prospect (drill holes MERC087 & 088) was based on geological and geophysical interpretation from prior drilling carried out in May 2019 that intercepted low-grade isolated nickel mineralisation. While one of the drill holes at Lake Eaton successfully pierced the EM target, the mineralisation at this location was low in nickel grade with iron sulphide the source of the conductor.

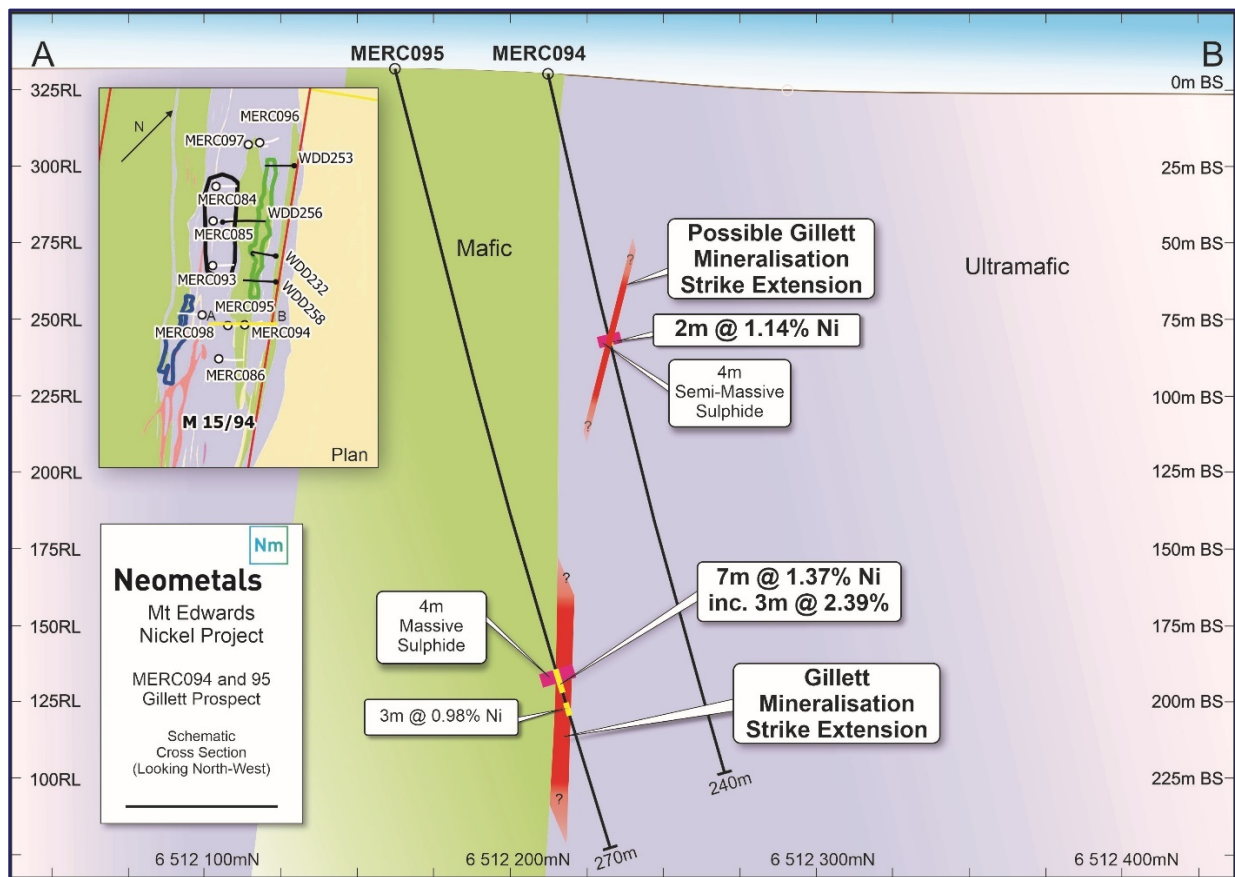
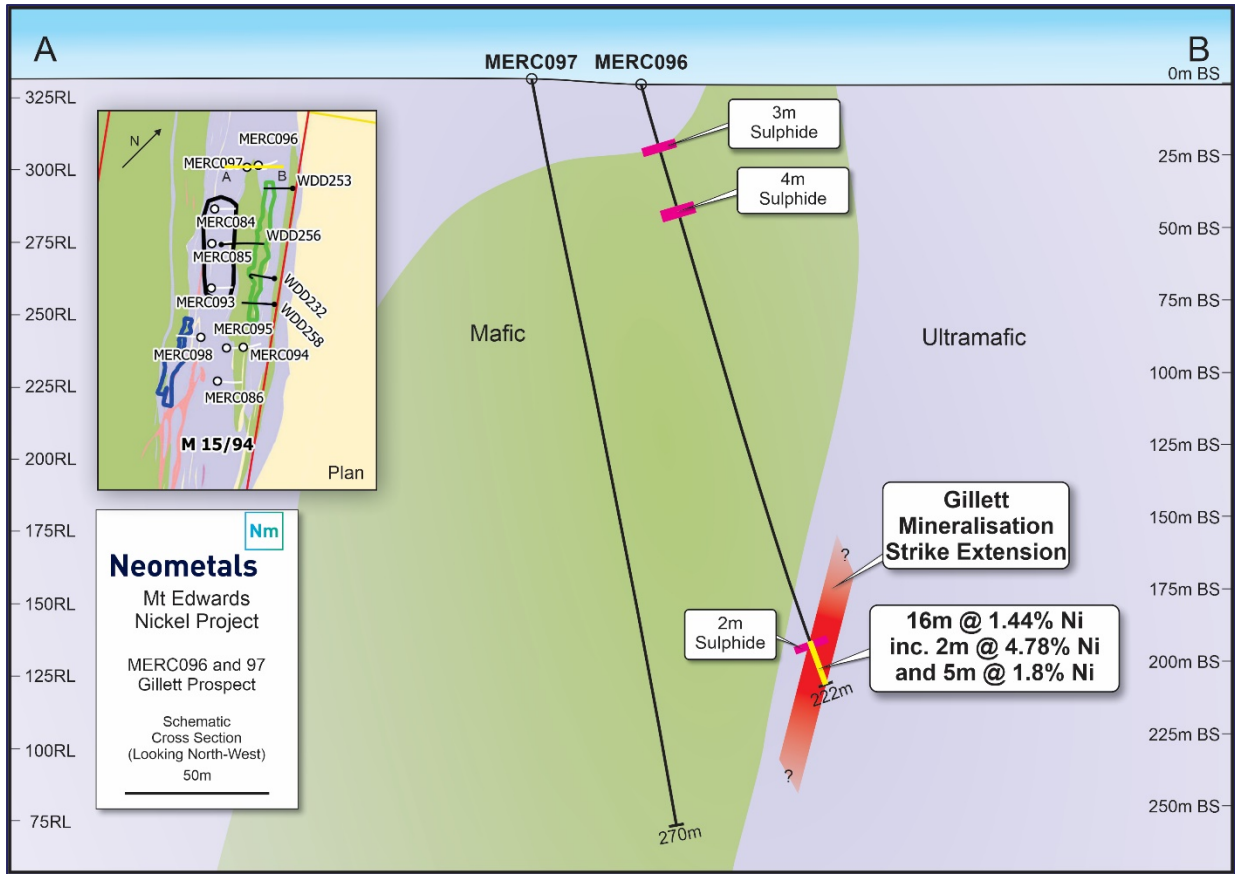




**Figure 3** - Map showing potential strike extension of the Gillett Mineral Resource up to MERC096 to the northwest, and to the southeast as far as MERC094 & MERC095. The Widgie 3 Mineral Resource and historic pit is shown to the south. Historic drill traces and collars in black. Recent drilling is labelled with traces in blue. Modelled EM conductor plates are the green polygons.

For personal use only

For personal use only

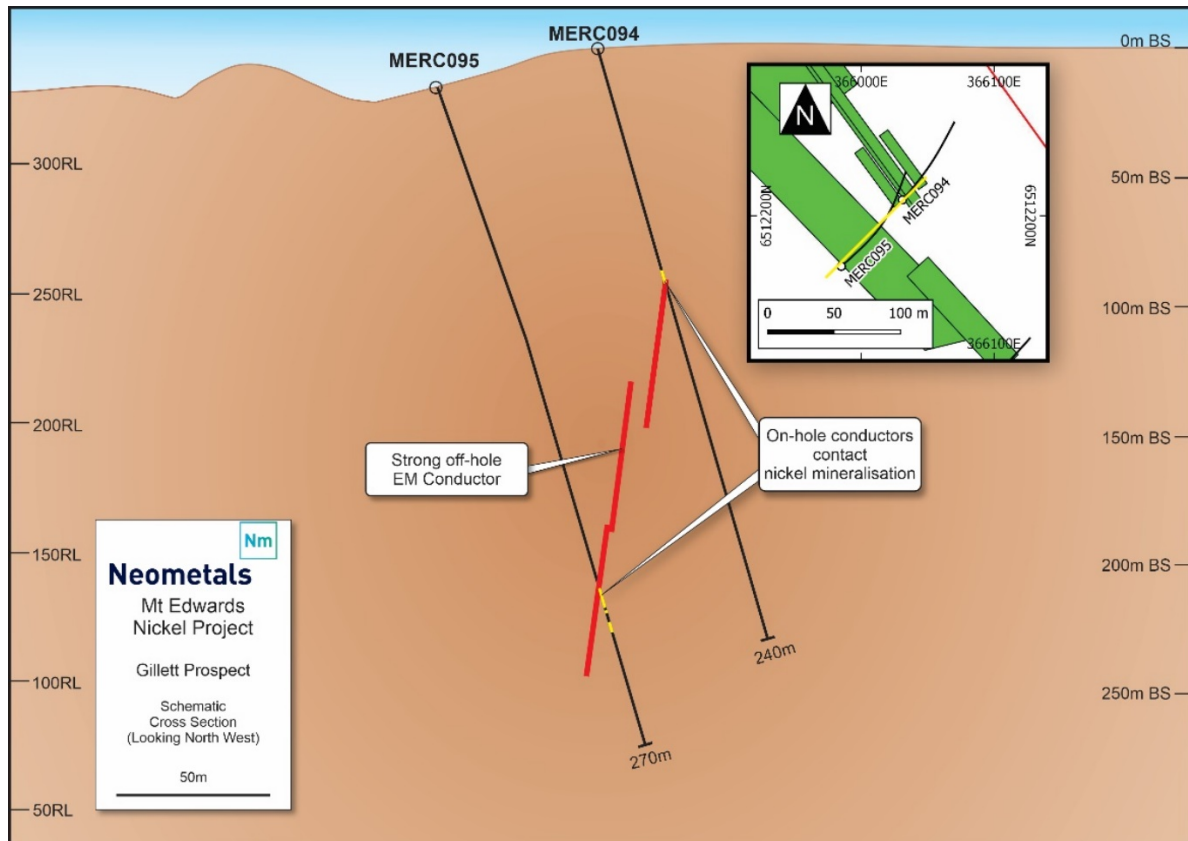


Figures 4a (top) and 4b (bottom) - Cross sections showing recent drilling with mineralisation along strike from the Gillett Mineral Resource. The geology in the drilling supports the interpretation of mineralisation on the basalt-ultramafic contact.



## Down Hole Electro Magnetic (DHEM) Surveys

In addition to the geochemical assays showing positive results, Neometals has conducted DHEM surveys on all 13 drill holes completed at the Widgie South Trend. Modelling of these surveys has shown several conductors considered to be “strong targets” which remain to be drill tested. The geophysical surveys were planned by Newexco Consultants and from the results more than 20 short strike length conductor plates have been modelled (as shown in Figure 3).



**Figure 5** - Cross section showing on hole conductors on MERC094 and MERC095 corresponding with mineralisation, and a strong off-hole EM conductor between the holes interpreted as the location of mineralisation.

DHEM is an excellent method of near hole nickel sulphide exploration and is also useful for confirming the continuation of mineralisation between holes. Results of surveys from holes MERC094 and MERC095 show on-hole conductors at mineralised intercepts. This supports the relationship between mineralisation and conductance. Furthermore, there is a strong off-hole EM conductor between the holes in the orientation and location where we would expect the mineralisation from our interpretation.

As a further advance in the exploration of the area, 10 historical deep diamond holes (up to 621 metres depth) across the Widgie South Trend area have been cleaned out using a diamond drill rig. For each hole 40 or 50mm PVC casing has been installed to enable DHEM surveying to test for conductors. The “clean and install” program is recently completed and DHEM surveying has commenced.

Neometals is very excited about the exploration potential of using modern DHEM on these 10 “renewed” drill holes with more than 4,000 metres of drill holes re-opened undergoing surveys. The DHEM results and geochemistry from this recent drill program, together with the DHEM information from the historical deep drilling should generate new targets to be drill tested in 2020.

## Details of the Drill and Sample Program Conducted in September to October 2019

All assay results have been received for the 13-hole RC drill and sample program carried out for 2,419 metres over the Widgie South Trend in September and October 2019 on tenement M15/94, and 2 RC holes for 330 metres at Lake Eaton on E15/989.

Geochemical results have been matched to geological logging, and interpretations have used modelled DHEM surveys. Drilling at each of the prospects and deposits is discussed in further detail in their respective sections.

Gillett, an extension of mineralisation along strike to the north and south

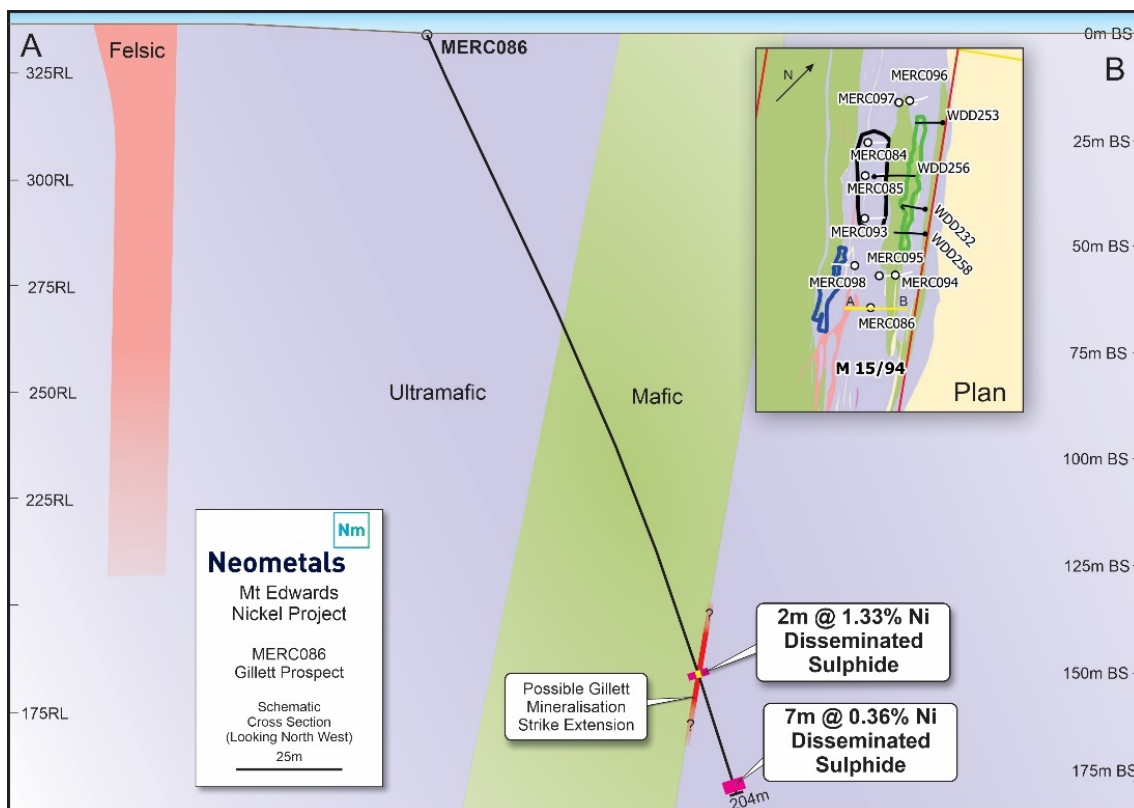
MERC094 and MERC095 were drilled to test for and successfully intercepted the south-eastern strike extension of mineralisation from the Gillett deposit. These two holes were drilled toward the north-east on the same section line and have intercepted nickel sulphide mineralisation at 91 and 210 metres down-hole respectively.

Mineralised intercepts include 7 metres @ 1.37% nickel including 3 metres @ 2.39% nickel from 210 metres downhole depth for MERC095, and 7 metres @ 0.81% nickel including 2 metres @ 1.14% nickel from 91 metres downhole for MERC094. If connected this would extend the mineralisation by about 110 metres to the south-east from the current extent of the Gillett Mineral Resource. Geochemistry supports the logged geological interpretation that mineralisation is hosted in the ultramafic unit on and past the contact with the basalt, most likely on the overturned eastern limb of an anticline.

MERC096 and MERC097 were drilled to test the north-western strike extension of mineralisation from the Gillett Nickel Mineral Resource. The two holes were drilled toward the north-east on the same section line. MERC096 has intercepted massive sulphide mineralisation interpreted as corresponding to Gillett to the south-east. There is a mineralised zone of 16 metres @ 1.4% nickel, including 2 metres @ 4.8% nickel from 206 metres. If connected this would extend the mineralisation by about 110 metres to the north-west from the current extent of the Gillett Mineral Resource.

Unfortunately, MERC097 drifted and dipped during drilling, deviating away from the planned drill hole path and not intersecting the target area. An off-hole conductor can be seen using DHEM from MERC097. The mineralised channel has been interpreted as steeply dipping to the west, with a sub-horizontal plunge south east of this section. A preliminary review suggests that the mineralisation along strike from Gillett here is developing a northerly plunge, and it may be offset by faulting to the north-east.

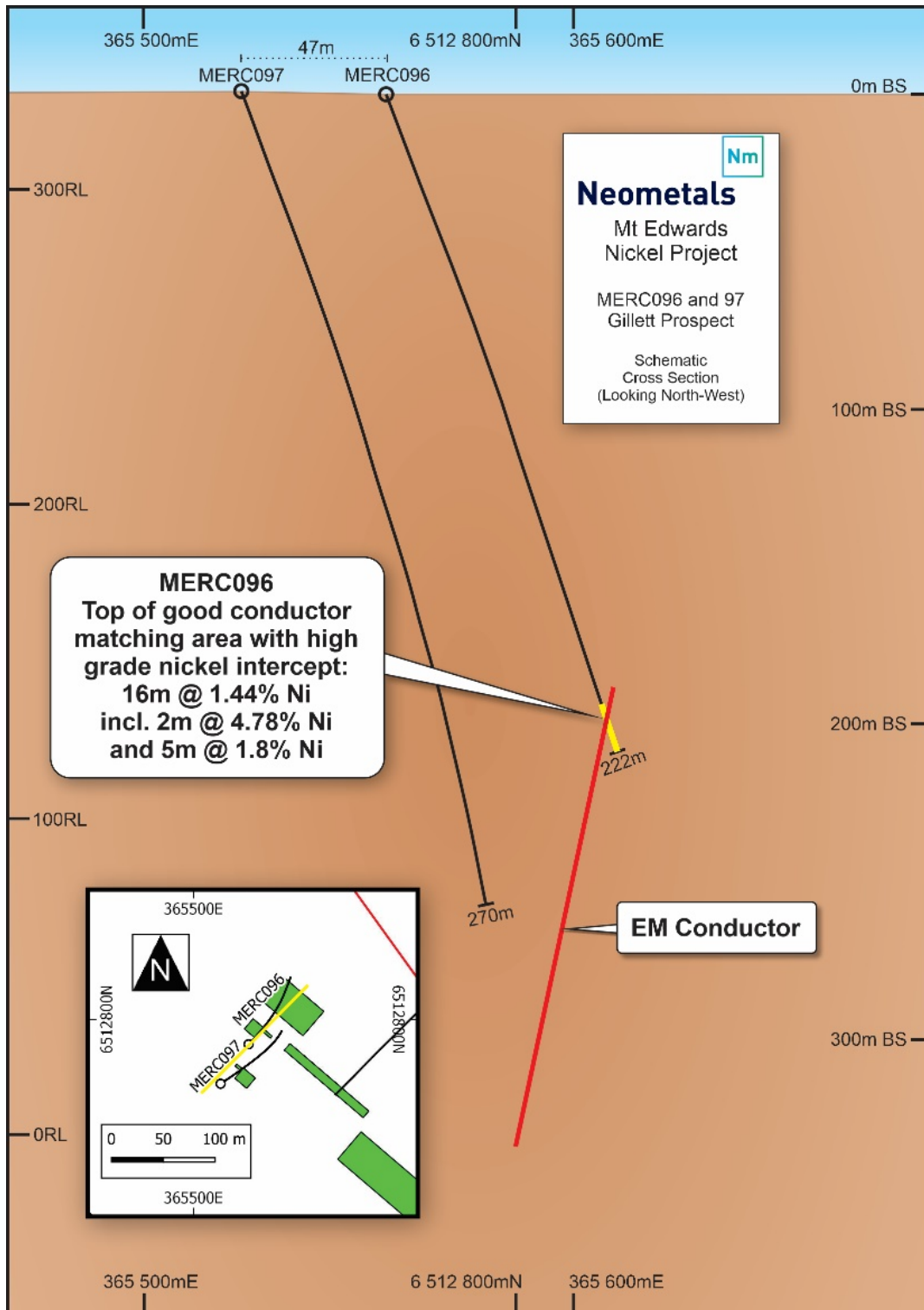
MERC086 was drilled to test for a south-eastern extension of the mineralisation from Gillett, or possibly a different mineralised zone referred to as the “Gillett West” load. Two metres of disseminated sulphide were intercepted on the contact at 172 metres depth, with a further nickel elevated zone at 196 metres.



**Figure 6** - Cross section of MERC086 with a significant intercept of 2metres @ 1.3% nickel from 172 metres. It is plausible that this mineralisation, located 275 metres south-east of the Gillett Mineral Resource, is the continuation of the same system.



For personal use only



**Figure 7** - MERC096 intersected mineralisation deeper than expected, while MERC097 did not intersect the mineralisation. DHEM of both drill holes supports the west dipping interpretation of the mineralisation, and the conductor plates (in plan view) suggest possible offsets of the 'conductive' mineralised zones.

**Table 3:** List of RC holes drilled in the September and October RC 2019 drill program including locations, dips and azimuths

Hole ID	Depth	Easting	Northing	Dip	Azimuth	Collar RL	Mining Tenement	Location
MERC084	150	365,553	6,512,526	-60.4	45	340	M15/94	Widgie 3 North
MERC085	150	365,644	6,512,419	-59.5	41	335	M15/94	Widgie 3 North
MERC086	204	366,054	6,512,041	-60.4	51	334	M15/94	Gillett
MERC087	150	367,883	6,494,930	-59.9	48	311	E15/989	Lake Eaton
MERC088	180	367,987	6,494,821	-59.0	66	313	E15/989	Lake Eaton
MERC089	132	367,107	6,510,404	-59.5	49	317	M15/94	Rhona
MERC090	150	366,511	6,511,390	-58.9	223	322	M15/94	Widgie 3 South
MERC091	150	366,344	6,511,432	-59.8	49	323	M15/94	Widgie 3 South
MERC092	139	366,335	6,511,545	-59.6	223	327	M15/94	Widgie 3 South
MERC093	150	365,770	6,512,290	-59.0	42	333	M15/94	Widgie 3 North
MERC094	240	366,031	6,512,212	-74.0	41	331	M15/94	Gillett
MERC095	270	365,985	6,512,162	-69.6	49	333	M15/94	Gillett
MERC096	222	365,553	6,512,776	-70.1	43	331	M15/94	Gillett
MERC097	270	365,526	6,512,738	-70.2	55	332	M15/94	Gillett
MERC098	192	365,881	6,512,119	-59.6	229	328	M15/94	Widgie 3

Widgie 3 North

Three drill holes MERC084, MERC085 and MERC093 were drilled north of the Widgie 3 Mineral Resource and historic mine in order to confirm historical nickel mineralisation identified between Gillett and Widgie 3.

MERC084 has intercepted two broad zones of elevated nickel (20 metres @ 0.54% nickel & 23 metres @ 0.61% nickel) in favourable ultramafic host rock with a best intercept of 2 metres at 2.04% nickel from 57 to 69 metres.

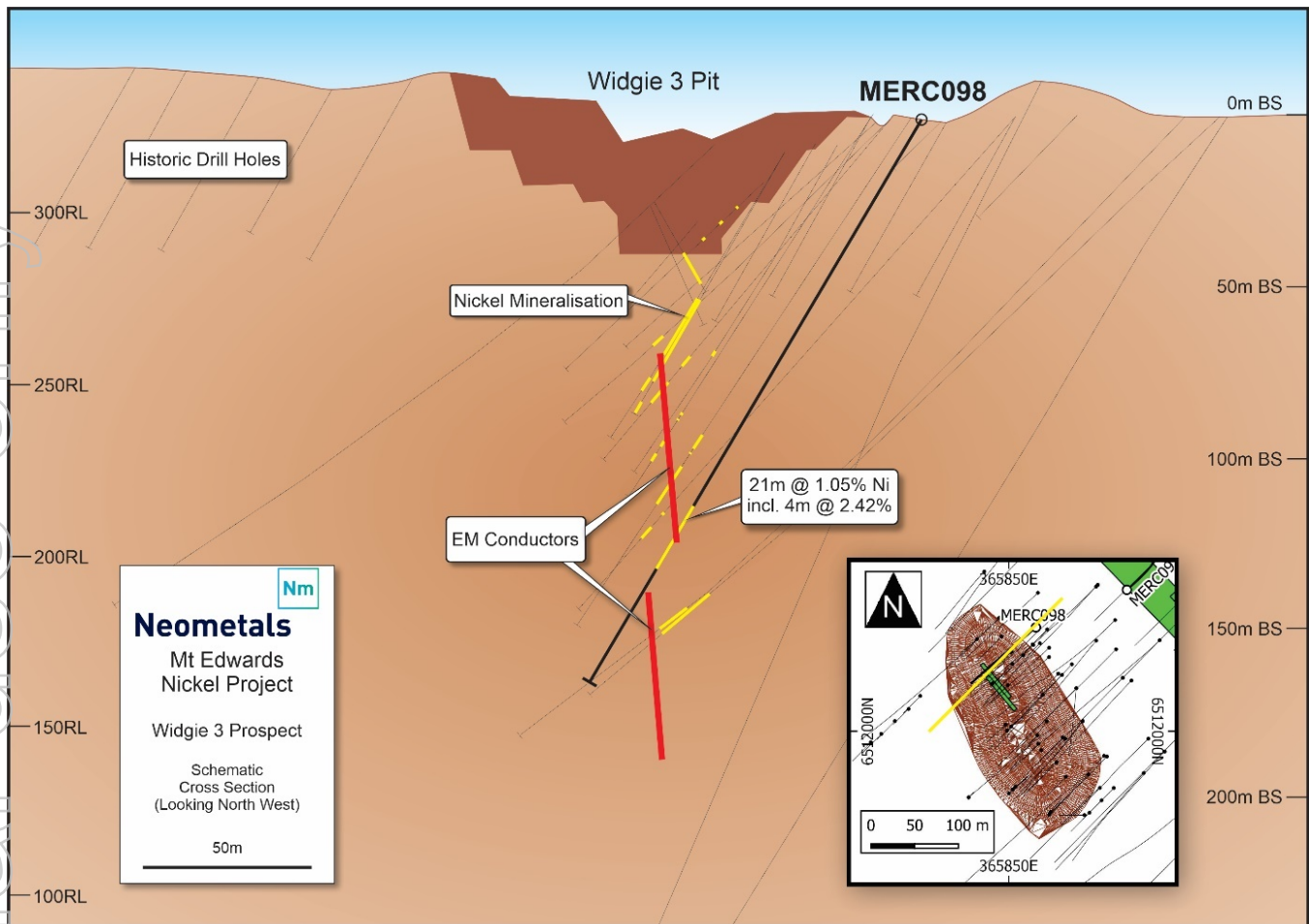
MERC085 has not intercepted sulphide mineralisation at the targeted contact zone, with a small zone of 6 metres @ 0.42% nickel in the moderate weathered rock at 44 metres depth downhole.

MERC093 has an intercept of 6 metres at 0.53% nickel, including 1 metre at 1.16% nickel from 49 to 50 metres.

The broad semi-enriched zone in MERC084, and the absence of mineralisation in MERC085 suggests we may be drilling down dip, and a review of the interpretation in this structurally complicated area is required.

Widgie 3

MERC098 was drilled to test the nickel sulphide mineralisation under the historic Widgie 3 open pit mine. The drill hole has confirmed that there is nickel sulphide under the historic nickel mine, and also showed the effect a felsic intrusive has had in shaping the geometry of the area.



**Figure 8** - MERC098 below the historic Widgie 3 pit. Mineralisation intersected is 21 metres @ 1.05% nickel including 4 metres @ 2.42% nickel. DHEM modelling show some “offsetting” of the conductor plates, reflecting the interested fault offsets.

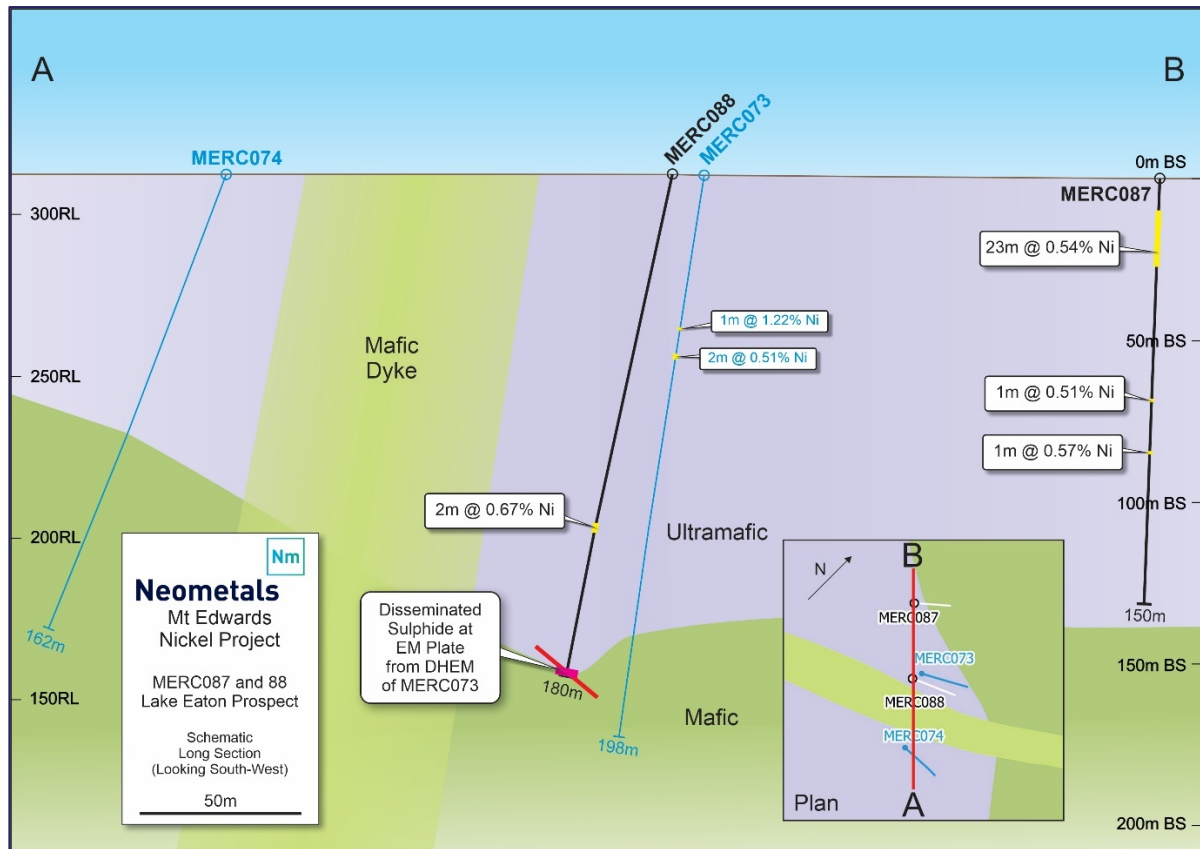
#### Widgie 3 South and Rhona

Three holes MERC090, MERC091 and MERC092 were drilled in Widgie 3 South prospect, and one hole, MERC089, was drilled at the Rhona prospect. Drilling tested areas below elevated nickel grades in the saprolite zone recorded in historic shallow drilling. All holes intercepted multiple sulphide zones between 1 and 3 metres thick, however nickel assays were modest with only one hole showing a 17 metre mineralised zone at 0.63% nickel including 1 metre at 1.19% nickel from 71 metres down hole depth.

#### Lake Eaton

Two holes were drilled at the Lake Eaton prospect to test the basalt-ultramafic contact, with planning of the holes using information from prior drilling carried out in May 2019 (MERC073) that intercepted low-grade isolated nickel mineralisation. The geophysical interpretation from a DHEM survey on MERC073 showed an off-hole conductor, and MERC088 was drilled through this area. Unfortunately, the mineralisation at this location was found to be low in nickel grade with iron sulphide the source of the conductor, however Neometals remain optimistic about the Lake Eaton prospect with its abnormal levels of nickel in the area.





**Figure 9** - Long section at Lake Eaton prospect showing MERC087 & MERC088 drilled in September, and MERC073 and MERC074 drilled in May 2019. Results of DHEM of MERC073 showed an off-hole conductor, which was tested by MERC088.

#### Summary of September and October RC program at Widgie South Trend and Lake Eaton

Neometals is encouraged by the results from testing the extension of mineralisation from the Gillett Mineral Resource, and much has been learnt about the geometry of the mineralisation and the plunge direction of this deposit. Widgie 3 revealed that the felsic intrusive has a strong effect on the structure, and Widgie 3 North has demonstrated that there are complex regions where more work is required to determine the structure of the geology.

With DHEM results and geochemistry in hand from the recent RC campaign, and information from the historical deep drilling Neometals look forward to drill testing the resulting new geophysical targets in 2020.

#### DHEM surveys of historical drill holes at Widgie South Trend

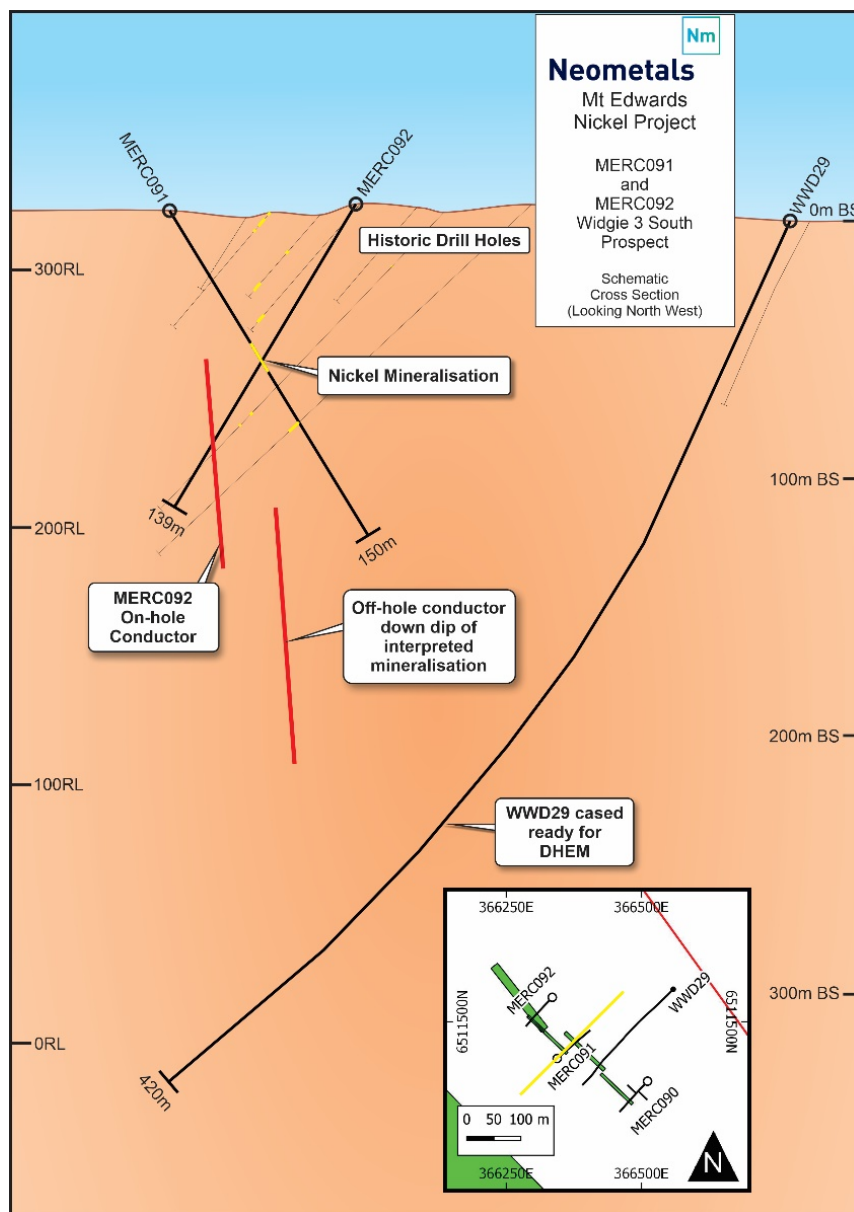
As a further advance in the exploration of the area, 10 historical deep diamond holes (up to 621 metres depth) across the Widgie South Trend area have been cleaned out using a diamond drill rig and 40 or 50 mm PVC casing has been installed to enable DHEM surveying to test for conductors.

All historical drilling at Widgie South Trend was reviewed for geology, geochemistry, surface geophysics and any previous DHEM surveys. In particular, drill holes with no or inferior DHEM were targeted, with dates of the original drilling ranging from the early 1970's to 2006. A list of holes considered to be near mineralisation were selected and searched for in the field. Approximately 50% of the desired holes were located and the collars "dug out" with the hole plugs removed ready for surveying.

Recently completed, the "clean and install" program has the added benefit of retaking the down hole directional surveys which has been updated in the drill database which is reflected visually in the drill traces. The DHEM surveying has commenced and Neometals is very excited about the exploration potential of using modern DHEM on these 10 "renewed" drill holes. More than 4,000 metres of historic drill holes have been re-opened and are undergoing DHEM surveys throughout December.

**Table 4 - List of historical drill holes located, cleaned out, PVC cased and currently undergoing DHEM**

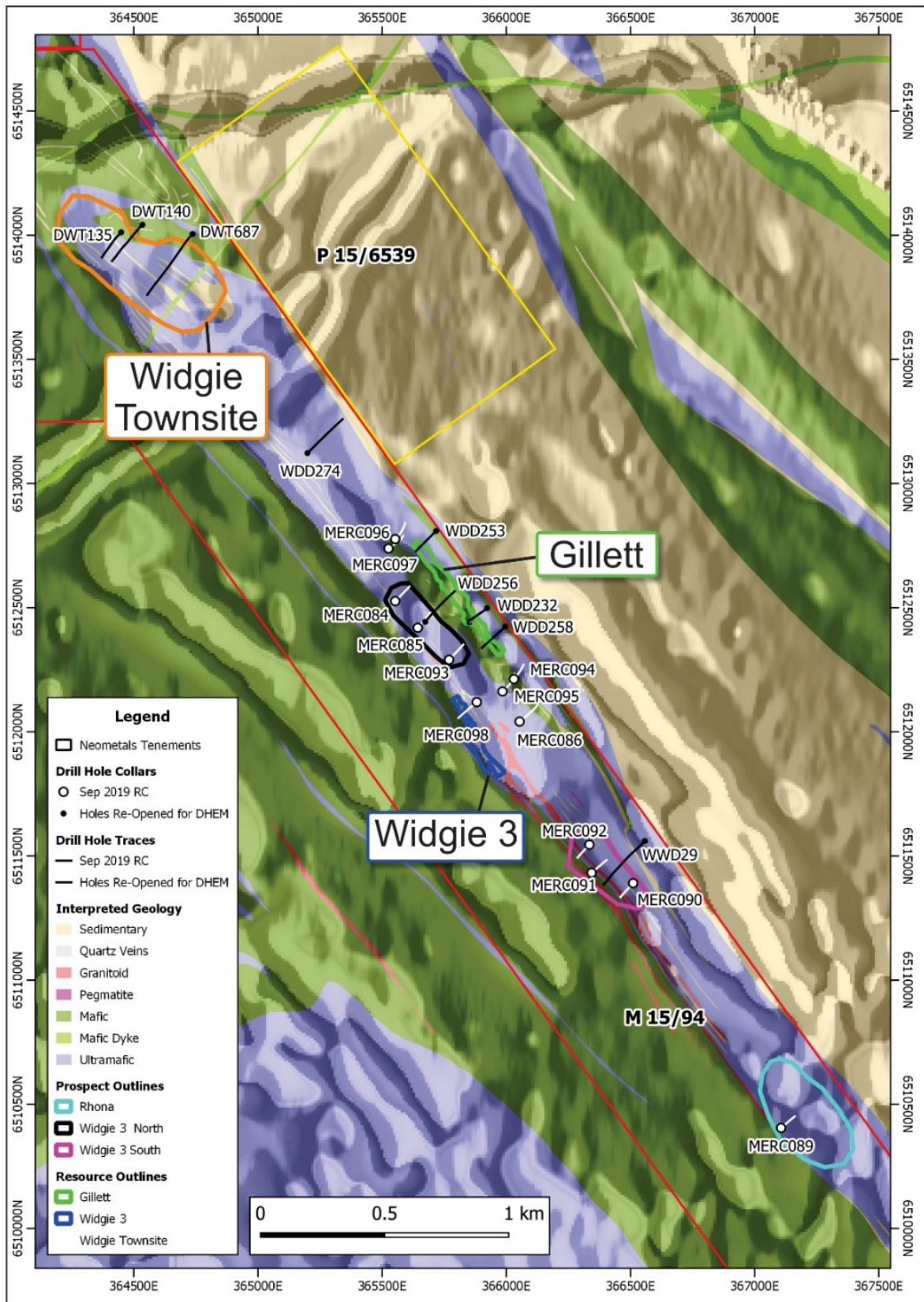
Hole_ID	Northing	Easting	Hole depth metres	Dip	Azimuth	Prospect	Metres cleared	PVC casing depth
WWD29	6,511,560	366,559	420	-54	224	Widgie 3 South	410.4	410
WDD256	6,512,443	365,674	437	-67	44	Gillett	437	436
WDD253	6,512,809	365,718	267	-65	225	Gillett	267	266
WDD232	6,512,498	365,923	421	-74	231	Gillett	420	419
WDD258	6,512,424	365,997	345	-68	228	Gillet	345	344
WDD274	6,513,122	365,199	344.5	-55	46	Gillett	344.5	343
WDD137	6,513,882	364,697	500.5	-63	229	Widgie Townsite	427	427
DWT140	6,514,042	364,535	403	-62	220	Widgie Townsite	406.3	403
DWT135	6,514,012	364,449	336.5	-68	218	Widgie Townsite	336.5	336
DWT687	6,514,005	364,737	621	-60	217	Widgie Townsite	621	618



**Figure 10 - Cross section at Widgie 3 South showing an off-hole conductor down dip of mineralisation seen in MERC091 and MERC092, and the location of historic hole WWD29. This is one of 10 deep holes cleaned out, PVC cased and ready for DHEM.**

For personal use

For personal use only



**Figure 11** - Labelled drill collar locations and drill traces of recent drilling in white at Widgie South Trend over interpreted geology with aerial magnetic geophysics as shading. Labelled collars and drill traces of historic holes that have been cleaned out and PVC inserted ready for DHEM are shown in black. Mineral Resource outlines and prospects are shown with coloured polygons.



Table 5 - Mineralised intercepts from the September – October RC drill program

Hole_ID	Prospect	From	To	Interval	Ni %	Cu ppm	As ppm	Cr ppm	Fe2O3 %	MgO %	S %
MERC084	Widgie 3	26	46	20	0.54	312	149	1700	16.1	23.8	0.03
		53	76	23	0.61	669	62	1605	12.1	26.3	0.72
		incl. 57	59	2	2.04	2936	150	2672	27.3	13.3	5.85
		85	86	1	0.36	60	156	1447	12.5	23.3	0.01
		89	91	2	0.32	39	142	1956	11.8	23.0	0.01
		102	104	2	0.63	84	94	2801	13.6	13.0	0.04
MERC085	Widgie 3	44	50	6	0.42	153	17	1577	9.5	36.5	0.42
MERC086	Gillett	172	174	2	1.33	1481	291	1057	27.8	12.2	8.5
		196	203	7	0.36	335	BDL	1352	9.1	30.9	0.7
MERC087	Lake Eaton	12	35	23	0.54	162	BDL	3997	23.5	7.6	0.12
		58	60	2	0.33	97	BDL	2874	13.4	14.1	0.14
		76	80	4	0.34	70	BDL	1848	11.2	18.5	0.34
		92	100	8	0.39	102	BDL	1852	9.6	17.3	0.23
		106	108	2	0.41	51	BDL	2052	9.8	21.9	0.30
MERC088	Lake Eaton	121	122	1	0.36	145	BDL	1235	9.3	35.5	0.43
		124	128	4	0.48	239	BDL	1189	9.0	36.4	0.53
MERC089	Rhona	No Mineralised Intercepts									
MERC090	Widgie 3	No Mineralised Intercepts									
MERC091	Widgie 3 South	59	76	17	0.64	371	124	1070	9.5	34.0	0.9
		incl. 71	72	1	1.19	1008	456	1084	11.1	31.8	2.1
MERC092	Widgie 3	No Mineralised Intercepts									
MERC093	Widgie 3 North	45	51	6	0.53	565	158	1637	11.2	25.8	0.6
		incl. 49	50	1	1.16	1518	90	1445	12.8	21.3	1.6
MERC094	Gillett	66	69	3	0.44	269	2690	1546	12.3	16.3	1.3
		88	95	7	0.81	2492	3515	1247	28.8	18.9	8.8
		incl. 91	93	2	1.14	4685	2039	1040	37.3	14.5	15.7
MERC095	Gillett	209	216	7	1.37	2007	532	2191	28.7	14.8	9.4
		incl. 210	213	3	2.39	2093	593	2054	41.5	11.7	16.2
		220	230	10	0.65	574	87	1485	11.5	33.4	1.7
		incl. 223	224	3	0.98	1191	30	1696	15.1	31.4	3.5
		incl. 228	229	1	1.02	617	65	1314	10.5	33.6	2.0
		233	240	7	0.36	259	14	1438	9.6	36.3	0.7
		244	248	4	0.38	246	13	1940	9.9	34.4	0.8
MERC096	Gillett	4	8	4	0.36	47	56	1619	11.0	27.0	0.0
		180	181	1	0.41	426	1688	1273	13.8	12.4	1.7
		183	184	2	0.32	260	24	1590	10.3	30.3	0.7
		186	188	2	0.41	322	66	1616	10.5	33.3	0.8
		202	204	2	0.36	286	BDL	1514	9.4	31.3	0.8
		206	222	16	1.45	2318	393	2015	17.5	27.4	4.7
		incl. 206	208	2	4.79	10096	30	4592	39.1	15.8	15.5
		incl. 217	219	5	1.81	2337	1050	1768	21.1	26.1	6.4
MERC097	Gillett	9	23	14	0.37	170	99	2193	15.6	27.0	0.0
MERC098	Gillett	132	153	21	1.05	939	951	1369	12.1	26.9	2.4
		incl. 149	153	4	2.42	1529	1670	1449	15.4	23.7	4.0

Note: Mineralised intercepts are contiguous samples down-hole with assays results greater than 0.3% nickel. Up to 1 metre internal dilution (less than 0.3% nickel) may be included in the intercept.

## Other Nickel Exploration

Neometals is currently conducting an Air Core drill program at the Baldrick, Percy and Double Eagle prospects located on Mining Leases M15/45, M15/46, M15/77 & M15/79 on the western side of the Widgiemooltha dome, south of Mincor's Wannaway Nickel mine (abandoned). Drilling is testing targets from an extensive soil sampling program and conductors from a reinterpreted geophysical survey carried out in 2007.

Neometals has recently exercised its option to acquire Exploration Licence E15/1553 and Prospecting Licence P15/6092. An RC program has recently been completed on Exploration Licence E15/1553 directly north of Mincor's Cassini Mineral Resource, with results pending.

**Table 6 - Mt Edwards Nickel Mineral Resource Estimate**

Deposit	Measured		Indicated		Inferred		TOTAL Mineral Resources		
	Tonne (Kt)	Nickel (%)	Tonne (Kt)	Nickel (%)	Tonne (Kt)	Nickel (%)	Tonne (Kt)	Nickel (%)	Nickel (t)
132N <sup>1</sup>			110	3.5	10	1.8	120	3.4	4,070
Armstrong <sup>1</sup>	10	2.1	280	2.3	30	4.9	320	2.6	8,180
Munda					320	2.2	320	2.23	7,139
Widgie Townsite <sup>2</sup>			2,190	1.9			2,193	1.9	40,720
Cooke <sup>1</sup>					150	1.3	150	1.3	1,950
McEwen <sup>1</sup>					1,070	1.3	1,070	1.3	13,380
McEwen Hangingwall <sup>1</sup>					1,060	1.4	1,060	1.4	14,840
Zabel <sup>1</sup>					330	1.8	330	1.8	5,780
Mt Edwards <sup>2</sup>					575	1.4	575	1.4	8,210
Gillet <sup>2</sup>					955	1.8	955	1.8	17,050
Widgie 3 <sup>2</sup>					625	1.5	625	1.5	9,160
<b>TOTAL</b>	<b>10</b>	<b>2.1</b>	<b>2,580</b>	<b>2</b>	<b>5,125</b>	<b>1.6</b>	<b>7,718</b>	<b>1.7</b>	<b>130,479</b>

Reporting criteria: Mineral Resources quoted using a 1% Ni block cut-off grade except Munda which uses a 1.5% Ni block cut-off; Small discrepancies may occur due to rounding

Note: 1 refer announcement ASX:NMT 19 April 2018 titled: Mt Edwards JORC Code (2012 Edition) Mineral Resource 48,200 Nickel Tonnes

Note: 2 refer announcement ASX:NMT 25 June 2018 titled: Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes

Note: 3 refer announcement ASX:NMT 12 November 2019 titled: Additional Nickel Mineral Resource at Mt Edwards

## Competent Person Attribution

The information in this report that relates to Exploration Results is based on information compiled by Gregory Hudson, who is a member of the Australian Institute of Geoscientists. Gregory Hudson is an employee of Neometals Ltd and has sufficient experience relevant to the styles 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 December 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gregory Hudson has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

## Compliance Statement

The information in this report that relates to Mineral Resources is extracted from the ASX Announcements listed in the table below, which are also available on the Company's website at [www.neometals.com.au](http://www.neometals.com.au)

12/11/2019	Additional Nickel Mineral Resource at Mt Edwards
25/06/2018	Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes
19/04/2018	Mt Edwards JORC Code (2012 Edition) Mineral Resource 48,200 Nickel Tonnes

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcements.

Authorised on behalf of Neometals by Christopher Reed, Managing Director.

## ENDS

For further information, please contact:

### Chris Reed

Managing Director

Neometals Ltd

T: +61 8 9322 1182

E: [info@neometals.com.au](mailto:info@neometals.com.au)

### Jeremy Mcmanus

General Manager - Commercial and IR

Neometals Ltd

T: +61 8 9322 1182

E: [jmcmamus@neometals.com.au](mailto:jmcmamus@neometals.com.au)

## About Neometals Ltd



Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. The strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

Neometals has three core projects:

- Lithium-ion Battery Recycling – a proprietary process for recovering cobalt and other valuable materials from spent and scrap lithium batteries. Pilot plant testing currently underway with plans established to conduct demonstration scale trials with potential JV partner SMS Group;
- Lithium Refinery Project – Progressing plans for a lithium refinery development to supply lithium hydroxide to the battery cathode industry with potential JV partner Manikaran Power, underpinned by a binding life-of-mine annual offtake option for 57,000 tonnes per annum of Mt Marion 6% spodumene concentrate; and
- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in mid-2021 with potential JV partner IMUMR.



## APPENDIX

**Table 1 information in accordance with JORC 2012: Mount Edwards Nickel Exploration**

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<b>Sampling techniques</b>	<p>All new data collected from the Mt Edwards nickel exploration project discussed in this report is in relation to a Reverse Circulation (RC) drill and sample program completed during September and October 2019, unless stated otherwise.</p> <p>Samples were acquired at one metre intervals from a chute beneath a cyclone on the RC drill rig. Sample size was then reduced through a cone sample splitter. Two identical sub-samples were captured in pre-numbered calico bags, with typical masses ranging between 2 and 3.5kg. Care was taken to ensure that both original sub-samples and duplicate sub-samples were collected representatively, and therefore are of equal quantities. The remainder of the sample (the reject) has been retained in green mining bags.</p> <p>Samples assessed as prospective for nickel mineralisation were assayed at single metre sample intervals, while zones where the geology is considered less prospective were assayed at nominal 4 metre length composite samples.</p> <p>No other measurement tools related to sampling have been used in the holes for sampling other than directional/orientation survey tools. Down Hole electromagnetic surveys have been carried out for all Widgie South Trend holes.</p> <p>Mineralised samples is defined as would be expected via laboratory to have an assay results returned above 3000ppm (0.3%) nickel.</p> <p>Base metal, multi-element analysis was completed using a 4-acid digest with ICP-OES finish for 33 elements.</p>
<b>Drilling techniques</b>	<p>15 Reverse Circulation drill holes have been completed on two mining tenements M15/94 and E15/989 using a face sampling hammer. Equipment used was a SCHRAMM Drill Rig, Auxiliary compressor and Booster. Drill rods were 6 metres long and drill bit diameter is 143mm, and hence so is the drill hole size. Holes were drilled at a range of dip angles between -58° and -75° with varying azimuth angles in order to orthogonally intercept the favourable geological contact zones.</p>
<b>Drill sample recovery</b>	<p>The geologist recorded the sample recovery during the drilling program, and these were overall very good.</p> <p>Minor sample loss was recognised while sampling the first metre of some drill holes due to very fine grain size of the surface and near-surface material.</p> <p>No relationship between sample recovery and grade has been recognised.</p>
<b>Logging</b>	<p>All drill holes have been geologically logged for lithology, weathering, alteration and mineralogy. All samples were logged in the field at the time of drilling and sampling (both quantitatively and qualitatively where viable), with spoil material and sieved rock chips assessed.</p> <p>The total length of drilling during this nickel exploration campaign is 2,749 metres.</p> <p>Geochemical analysis of each hole has been correlated back to logged geology for validation.</p>
<b>Sub-sampling techniques and sample</b>	<p>The sample preparation technique carried out in the field is considered industry best standard practice and was completed by the geologist.</p> <p><u>1 metre samples</u></p>



For personal use only

Criteria	Commentary
<p><b>preparation</b></p>	<p>Samples collected at 1 metre intervals from the splitter (which are truly the 2 to 3.5kg sub-samples of the sample material extracted and captured from each metre through the drilling process) were collected in the field, received by the lab, sorted and recorded.</p> <p><u>Composite Samples</u>                      Equal amounts (usually ~600g) of material were taken by scoop or spear from individual reject bags in sequences of 4 representing 4 metres of drilled material and placed into a prenumbered calico bag.</p> <p>If there was insufficient sample for a 600g scoop the smallest individual sample is exhausted and the other 3 samples that make up the composite are collected to match the size of the smallest sample.</p> <p>The ~ 2.4kg composite sample was then sent to the lab for sample preparation and analysis. Hereafter the sample preparation is the same for 1 metre and composite samples.</p> <p><u>Sample Preparation</u></p> <p>Individual samples were weighed as received and then dried in a gas oven for up to 12 hours at 105C.</p> <p>Samples &gt;3 kg's were riffle split 50:50 and excess discarded. All samples were then pulverised in a LM5 pulveriser for 5 minutes to achieve 85% passing 75um. 1:50 grind checks were performed to verify passing was achieved.</p> <p>A 300g split was taken at the bowl upon completion of the grind and sent to the next facility for assay. The remainder of the sample (now pulverised) was bagged and retained until further notice.</p> <p>For each submitted sample, the remaining sample (material) less the aliquot used for analysis has been retained, with the majority retained and returned to the original calico bag and a nominal 300g portion split into a pulp packet for future reference.</p> <p>Individual samples have been assayed for a suite of 33 elements including nickel related analytes as per the laboratory's procedure for a 4-acid digestion followed by Optical Emission Spectral analysis.</p> <p>Internal sample quality control analysis was then conducted on each sample and on the batch by the laboratory.</p> <p>Results have been reported to Neometals in csv, pdf and azeva formats.</p>
<p><b>Quality of assay data and laboratory tests</b></p>	<p>Assaying was completed by a commercial registered laboratory with standards and duplicates reported in the sample batches. In addition, base metal Standard Reference samples were inserted into the batches by the geologist.</p> <p>Neometals followed established QAQC procedures for this exploration program with the use of Certified Reference Materials as field and laboratory standards.</p> <p>Field and laboratory duplicates have been used extensively and results assessed.</p> <p>Of 1393 samples submitted for assay, 688 samples are Original 1 metre samples, 89 samples are Field Duplicates, 45 Field Standards, 571 Composite samples.</p> <p>Nickel standards (Certified Reference Materials, CRM) in pulp form have been submitted at a nominal rate of one for every 50 x 1 metre samples.</p> <p>QAQC analyses has been conducted on all results received, from all 15 holes drilled.</p> <p>A detailed QAQC analysis has been carried and all results for repeatability and meeting expected values relevant to nickel and related elements are within acceptable limits.</p>
<p><b>Verification of</b></p>	<p>Assay results are provided by the laboratory to Neometals in csv, pdf and azeva formats, and</p>

Criteria	Commentary
<b>sampling and assaying</b>	<p>then validated and entered into the database managed by an external contractor. Backups of the database are stored both in and out of office.</p> <p>Duplicate samples (with suffix A) are taken for all 1 metre samples and submitted at the will of the geologist. Duplicates were submitted sometimes with the same submission as the original sample, and at other times at later submissions. All duplicates have validated there have been no sample swaps of 1 metre samples at the rig, and that assays are repeatable with acceptable limits.</p> <p>Assay, Sample ID and logging data are matched and validated using filters in the drill database. The data is further visually validated by Neometals geologists and database staff.</p> <p>There has been no validation and cross checking of laboratory performance at this stage.</p> <p>Twinned holes have not been used in this program.</p> <p>SG of the mineralised samples has not been considered in determining significant intercepts.</p>
<b>Location of data points</b>	<p>A handheld GPS (Garmin GPSmap76 model) was used to determine the drill hole collar locations during the drill program with a <math>\pm 8</math> metres coordinate accuracy.</p> <p>MGA94 51S is the grid system used in this program.</p> <p>Downhole survey using Reflex gyro survey equipment was conducted during the program by the drill contractor.</p>
<b>Data spacing and distribution</b>	<p>All drill holes were sampled at 1 metre intervals down hole.</p> <p>Select sample compositing has been applied at a nominal 4 metre intervals determined by the geologist.</p> <p>Drill holes were completed at select geological targets and geophysical targets on tenements E15/989 and M15/94.</p> <p>On E15/989 very little exploration drilling for nickel has been conducted by previous exploration companies. Until drilling by Neometals in May 2019 most previous holes were shallow air core (AC) or rotary air blast (RAB) holes of varying depths, typically from 8 meters to 40 metres, with a few having a maximum of 80 metres downhole depth.</p> <p>MERC088 targeted an off-hole conductor plate anomaly interpreted at 170 metres depth from DHEM in MERC073, drilled in May 2019. Spacing between these drill holes is <math>\sim 20</math> metres.</p> <p>MERC087 targeted a geological contact and is <math>\sim 100</math> metres from nearest hole MERC073.</p> <p>At the Widgie South Trend drilling has been targeted, however spacing from other drilling is varied. Drilling at Widgie 3 (MERC098) was 25 metres from previous drilling, whereas drilling at the Rhona prospect and Widgie 3 south was more isolated with few holes collared within 200 metres.</p> <p>The drilling at Gillett is 100+ metres away along strike from the boundaries of the estimated Mineral Resource. It is intended that with additional confidence in the mineralisation geometry these drill holes may be used in future nickel Mineral Resource estimations at the Gillett deposit.</p> <p>When assessing the spacing of new drilling with historical exploration, the length of drilling from surface to the target zones of approximately 100 metres depth, and the quality of the survey data, should be considered.</p>



Criteria	Commentary
<b>Orientation of data in relation to geological structure</b>	<p>At the Mt. Edwards-Kambalda region, nickel mineralisation is typically located on the favourable geological contact zones between ultramafic rock units and metabasalt rock units. All drill holes were planned at <math>-60^{\circ}</math> dip angles, with varying azimuth angles used in order to orthogonally intercept the favourable geological contact zones.</p> <p>Geological information (including structural) from both historical geological mapping as well as current geological mapping were used during the planning of these drill holes. Due to the steep orientation of the mineralised zones there will be some exaggeration of the width of intercept.</p>
<b>Sample security</b>	<p>All samples collected during the current nickel exploration program were transported personally by Neometals and/or geological consultant staff to the Intertek- Genalysis Laboratory in Kalgoorlie.</p> <p>Sample security was not considered a significant risk to the project. No specific measures were taken by Neometals to ensure sample security beyond the normal chain of custody for a sample submission.</p>
<b>Audits or reviews</b>	<p>A thorough review of the exploration program was undertaken prior to the drill program by Neometals Geology management. Regular reviews and site visits were made during the conduct of drill program. Contract geologists were based on site prior to, during and on completion of the drill and sample program to ensure proper quality control as per the modern mining industry standards.</p>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<p>Neometals (Mt Edwards Lithium Pty Ltd) hold nickel minerals rights for exploration licence E15/989 and Mining Lease M15/94; all other mineral rights are held by Mincor Resources NL.</p>
<b>Exploration done by other parties</b>	<p>Neometals has held an interest in the areas since June 2018, hence all prior work has been conducted by other parties.</p> <p>The ground has a long history of exploration and mining and has been explored for nickel since the 1960s, initially by Western Mining Corporation. Numerous companies have taken varying interests in the project area since this time.</p> <p>Titan Resources held Nickel rights from 2001. Consolidated Minerals took ownership from Titan in 2006, and Salt Lake Mining in 2008.</p> <p>Historical exploration results and data quality have been considered during the planning stage of drill locations for this exploration program, and results of the program are being used to validate historic data.</p>
<b>Geology</b>	<p>The geology in both areas comprises of sub-vertically dipping multiple sequences of ultramafic rock, metabasalt rock units and intermittent meta-sedimentary units. The interpretation is the area is folded with an anticline at the location on Gillett.</p> <p>At Widgie 3 there is a felsic porphyry that cross cuts the mafic and ultramafic units. At Lake Eaton area, an intrusive granitic rock and east-northeast trending dolerite dyke are reported.</p> <p>Contact zones between ultramafic rock and metabasalt are considered as favourable zones for nickel mineralisation. Geochemical analysis, including the Mg:Ni ratios, suggests komatiite</p>

Criteria	Commentary
	<p>channels have been intersected.</p> <p>Generally, 5 to 10 metres of transported soil cover is observed in the area, with a zone of oxidation varying between 15 to 20 metres.</p>
<b>Drill hole Information</b>	<p>15 Reverse Circulation (RC) drill holes have been completed during the current nickel exploration program across two tenements for a total of 2,749 metres. The drill and sample programs were conducted in September and October 2019. All drill holes were drilled at a nominal -58° and -74° dip at varying azimuth angles to the north-east and south-west.</p> <p>Relevant drill hole information has been tabled in the report including hole ID, drill type, drill collar location, elevation, drilled depth, azimuth, dip and respective tenement number.</p>
<b>Data aggregation methods</b>	<p>Samples assessed as prospective for nickel mineralisation were assayed at single metre sample intervals, while zones where the geology were considered less prospective were assayed at a nominal 4 metre length composite sample.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>Nickel mineralisation is hosted in the ultramafic rock unit close to the metabasalt contact zones. In some occasions nickel mineralisation has been recorded in the metabasalt units, possibly and later stage remobilisation along fault zones.</p> <p>All drilling is angled to best intercept the favourable contact zones between ultramafic rock and metabasalt rock units to best as possible test true widths of mineralisation.</p> <p>Due to the steep orientation of the mineralised zones there will be some exaggeration of the width of intercept, likely to be in the order of 30%.</p>
<b>Diagrams</b>	<p>A map of the current nickel exploration program locations and tenements relative to the total Mt Edwards project is shown in the report. Cross sections and long sections are shown for several of the drill holes completed.</p>
<b>Balanced reporting</b>	<p>Current understanding is based on a single phase of drilling conducted by Neometals, combined with historical mapping, drilling and sampling conducted by previous owners of the tenement. While results are encouraging, Neometals wish to conduct further exploration across the project area to gain an improved understanding of the economic potential of the nickel mineralisation at Mt Edwards.</p>
<b>Other substantive exploration data</b>	<p>No further exploration data has been collected at this stage; however downhole electromagnetic surveys are currently being undertaken.</p>
<b>Further work</b>	<p>Detailed interpretation of the results will commence when all single metre assays have been received and undergone thorough quality control checks. 50mm PVC casing has been inserted into each drill hole at Widgie South Trend on completion to enable downhole electromagnetic (DHEM) geophysical surveys to be conducted. DHEM surveys is currently being conducted.</p> <p>Further drilling is planned to test the potential lateral extents and infill areas for nickel mineralisation.</p>