FURTHER MASSIVE NICKEL SULPHIDE RESULTS FROM MT EDWARDS

HIGHLIGHTS

- **Massive nickel sulphide intercepts from RC drilling at Armstrong deposit**
- **Drill assay results include: 6 metres @ 8.11% nickel including 5 metres @ 9.63% ;**
  10 metres @ 1.65% nickel including 4 metres @ 2.42% nickel; and
  3 metres @ 1.07% nickel.
- **Significant intercepts are within wide mineralised zones of disseminated nickel with assays including:**
  34 metes @ 1.94% nickel; and
  24 metres @ 1.13% nickel.
- **1m @ 1.18% Ni intersected at newly acquired tenement (along strike from Mincor's Cassini Mineral Resource)**

Project developer 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 at the Armstrong deposit on Mining Lease M15/99, and on the recently acquired Exploration Licence E15/1553 located less than 2 kilometres directly north and along strike from Mincor's Resources NL (**Mincor**) Cassini Mineral Resource.

The drilling at Armstrong and the yet to be named exploration licence E15/1553 comprised 11 RC holes for a total of 2,083 metres completed in November and December 2019. The program included a sampling and assay program with rigid QAQC controls that will enable results to be used in future Mineral Resource estimations.

Throughout 2019, Neometals has been actively engaged in multiple drilling and exploration programs across the various deposits and prospects comprising its Mt Edwards project. The Company has been methodically validating and improving its drill-hole database, isolating high grade mineralisation and growing its Mineral Resource base. Exploration results to date, including the outcomes from this program, have provided strong encouragement regarding alternatives to realise value at Mt Edwards.

Drilling at Armstrong was planned to infill and test extents of the Armstrong Mineral Resource (320,000 tones @ 2.6% nickel for 8,180 nickel tonnes)*, with a focus on understanding the interpreted down plunge mineralised zone, and remobilised high-grade shoots at depth below the main ultramafic-basalt contact (**for full details refer to ASX announcement entitled "Mt Edwards Nickel - Mineral Resource Estimate" released on 19 April 2018*).

Assay results on M15/99 support the interpretation of thick disseminated nickel sulphide intercepts (up to 34 metres down-hole width) with high-grade zones of matrix to massive nickel sulphide up to 5 metres thick (**5 metres at 9.63% nickel**).

The Company will now consider a campaign of diamond core drilling at Armstrong to further understand the structural orientation and metallurgical properties of the deposit. At E15/1553 ground geophysical surveys are planned to augment the geological knowledge gained from the recent drill and DHEM surveys.

Managing Director Chris Reed commented:

"These strong results from Armstrong continue our success in identifying massive nickel sulphide mineralisation within our existing inventory. In preparation for a strengthening nickel market in the medium term, driven by increasing demand in the battery materials sector, Neometals will undertake mining studies and develop a pipeline of short lead time nickel sulphide resources.

The successful discovery of nickel sulphide mineralisation along strike from Cassini just inside the boundary of a newly acquired tenement provides encouragement that our extensive tenement package around the Widgiemooltha Dome is one of the most prospective areas for greenfields nickel discoveries."

ACN 099 116 361
Level 1, 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

Location

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 46 granted and pending mining tenements spanning approximately 50 kilometres of strike length over the Widgiemooltha Dome. The Widgiemooltha Dome is a world class nickel sulphide camp that has hosted several historical nickel mines.

In November and December 2019 an RC drill program was conducted at the Armstrong deposit on Mining Lease M15/99 (3 holes for 826 metres), and on the recently acquired exploration licence E15/1553 (8 holes for 1,257 metres). Exploration Licence E15/1553 is located amongst the southern group of tenements held by Neometals at Mt Edwards, directly north and along strike from Mincor's Cassini Mineral Resource, and adjacent to Neometals Lake Eaton prospect.

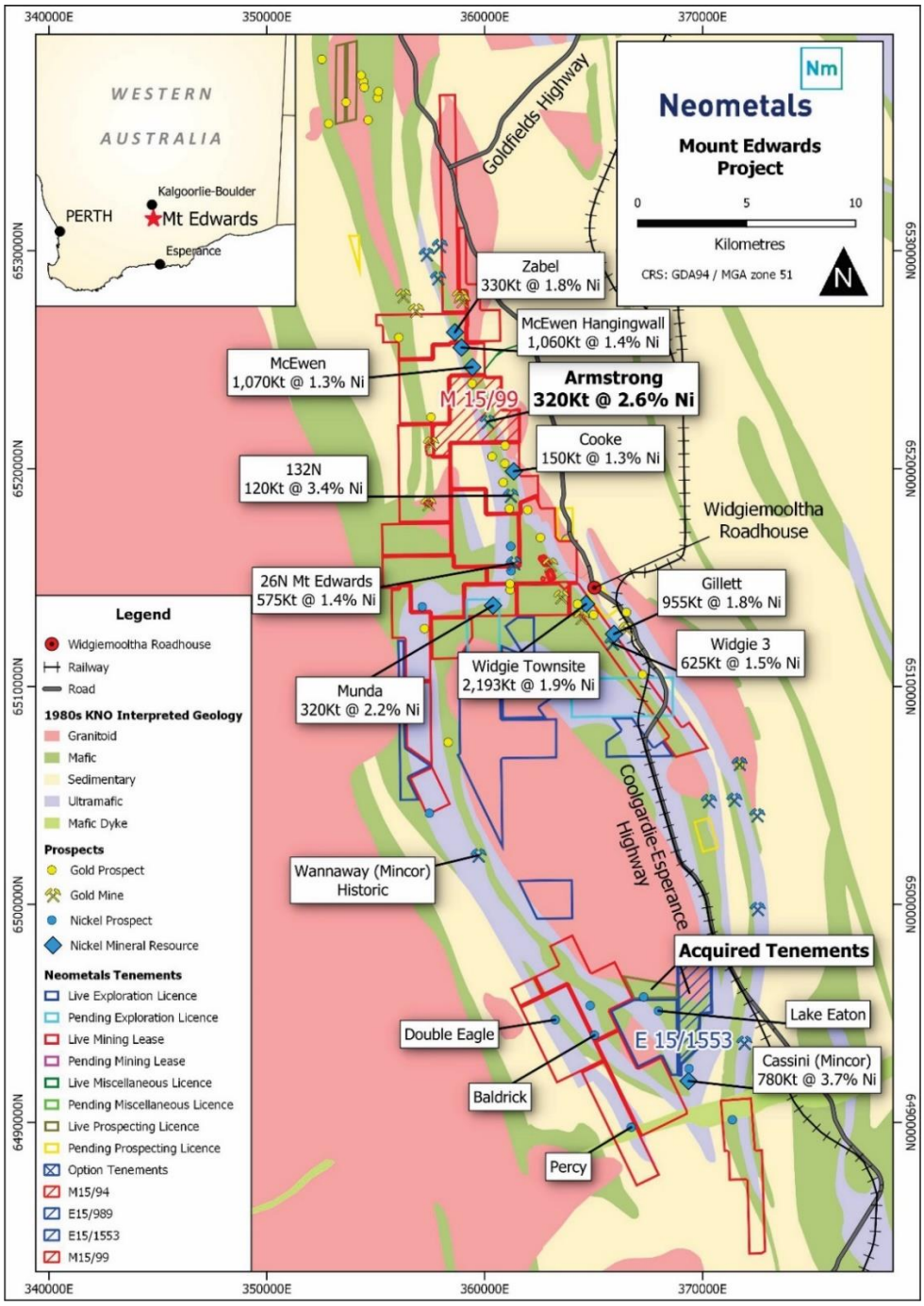

Figure 1 – *Mining Tenements of the Mt Edwards Project with the location of the Armstrong on M15/99 (red diagonal stripes), and the recently acquired exploration licence E15/1553 (blue diagonal stripes).*

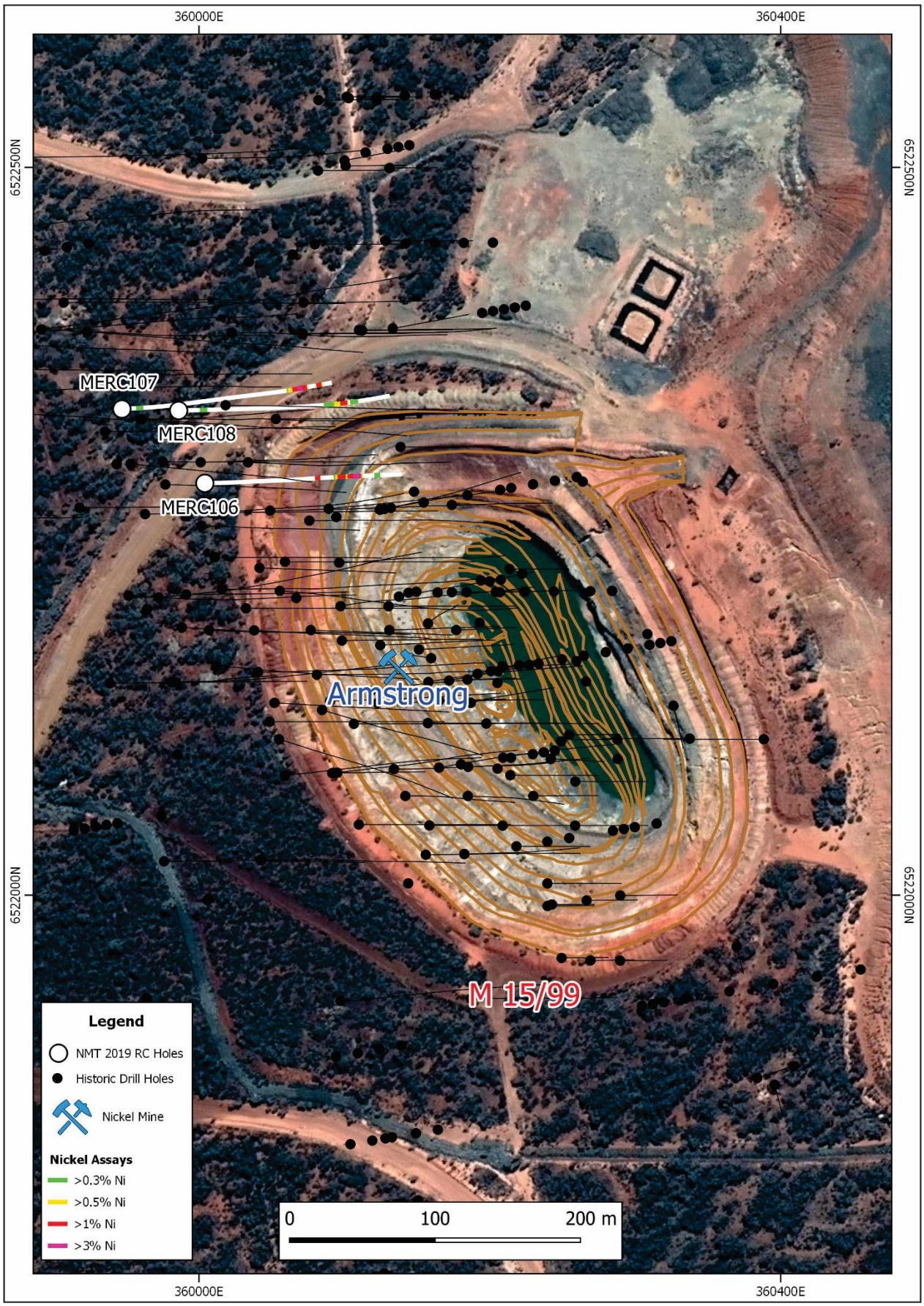

Figure 1 - *Location of the NMT RC drill hole collars and drill traces in white at Armstrong on M15/99 drilled in December 2019. Drillholes were collared north-west of the abandoned open pit and drilled to the east. Mineralised sections of the drill traces are coloured.*

Significant Assay Results and Geological Interpretation at Armstrong

Drilling at the Armstrong deposit focussed on testing the down plunge component of an interpreted nickel sulphide channel located north of the previously mined open pit. In the existing data from previous drilling *circa* 2006 the association between the mineralised zones and the ultramafic-basalt contact was unclear, and areas of high-grade nickel located in basalt below this contact also warranted investigation. It was previously interpreted that there are some very high-grade nickel (>10%) zones at depth, which were shoots of remobilised nickel along fractures, joints and fault zones.

All three RC holes successfully intercepted the "main" ore zone, with the first drill hole (MERC106) testing 60 metres "up plunge" from a known mineralised zone drilled in 2005. Logging showed a five-metre zone of massive sulphide considered nickel bearing from 207 metres downhole at the base of a broad 34 metre disseminated sulphide zone starting at 180 metres downhole. Assay results have confirmed the logging with nickel values of 9.4%, 10.8%, 10.3%, 12.1% and 5.6% in consecutive metres from 207 metres down hole, for an intercept of **5 metres at 9.6% nickel**. The mineralised zone is in ultramafic rock which sits directly on the contact with the basalt, with the last metre of mineralisation at 213 metres down hole.

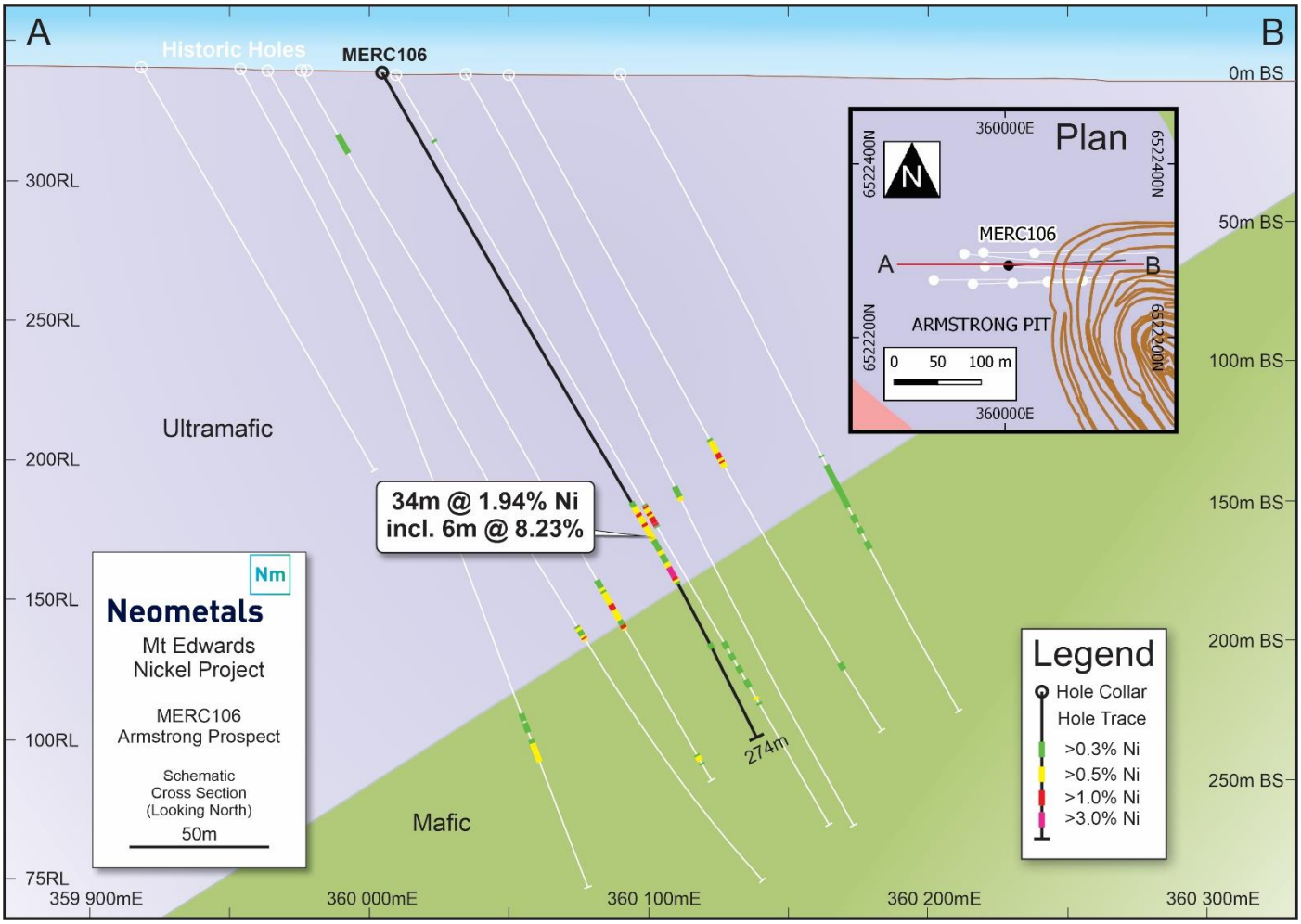

Figure 3 - *Cross section showing significant and mineralised intercepts in MERC106 from December 2019 drilling at Armstrong. A massive nickel sulphide zone in MERC106 (6 metres @ 8.23% nickel) is within a wide disseminated nickel zone (34 metres at 1.94% nickel). The mineralisation is hosted in the ultramafic rock, and MERC106 shows mineralisation above and on the basalt-ultramafic contact, with highest levels of enrichment at the base of the zone.*

The second hole drilled (MERC107) tested an area directly above and to the north of a mineralised zone known from previous drilling in 2005. Unfortunately, the drill trace deviated north from about 50 metres depth and missed the planned target area by about 15 metres. A zone of matrix sulphides where intercepted from 242 to 252 metres downhole, and assay results show a significant intercept of 10 metres at 1.65% Ni, including 1 metre at 5% nickel at 244 metres. Like drill hole MERC106, mineralisation was elevated at the base of a broader disseminated zone, with 24 metres at 1.1% nickel from 229 metres downhole. Again, this mineralised zone sits directly on the ultramafic - basalt contact.

Table 1 - *Significant intercepts from the drilling at Armstrong in December 2019*

Prospect	Hole ID	Interval metres	Ni %	Cu ppm	As ppm	From (metres)	To (metres)	Tenement	Total Depth (metres)
Armstrong	MERC106	1	**1.05**	733	128	185	186	M15/99	274
Armstrong	MERC106	1	**1.18**	589	142	189	190	M15/99	274
Armstrong	MERC106	6	**8.23**	7,753	1,851	206	212	M15/99	274
Armstrong	MERC106	5	**9.63**	9,041	2,164	207	212	M15/99	274
Armstrong	MERC107	2	**1.14**	618	120	237	239	M15/99	290
Armstrong	MERC107	10	**1.65**	1,345	143	242	252	M15/99	290
Armstrong	MERC108	3	**1.06**	846	124	208	211	M15/99	262

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.

It is interpreted that due to the deviation to the north and some lifting drill hole MERC107 has only tested the top edge of a north plunging mineralised channel. The size of the deviation of the drill path (~20°) is much greater than other drilling around this location, which suggests there is a significant structural feature or strong localised foliation in this area.

At 272 metres downhole depth MERC107 drilled from basalt back into an ultramafic rock, with an elevated nickel grade of 0.8% in a 4-metre composite sample received. The drill hole continued through ultramafic rock until the end of hole at 290 metres.

This return to an ultramafic rock with some nickel mineralisation shows that Armstrong may have a level of structural complexity greater than previously realised. It is also plausible that areas of high-grade nickel thought by previous project owners to be remobilised sulphide zones hosted in basalt, may in fact be primary nickel zones in ultramafic incorrectly identified as basalt.

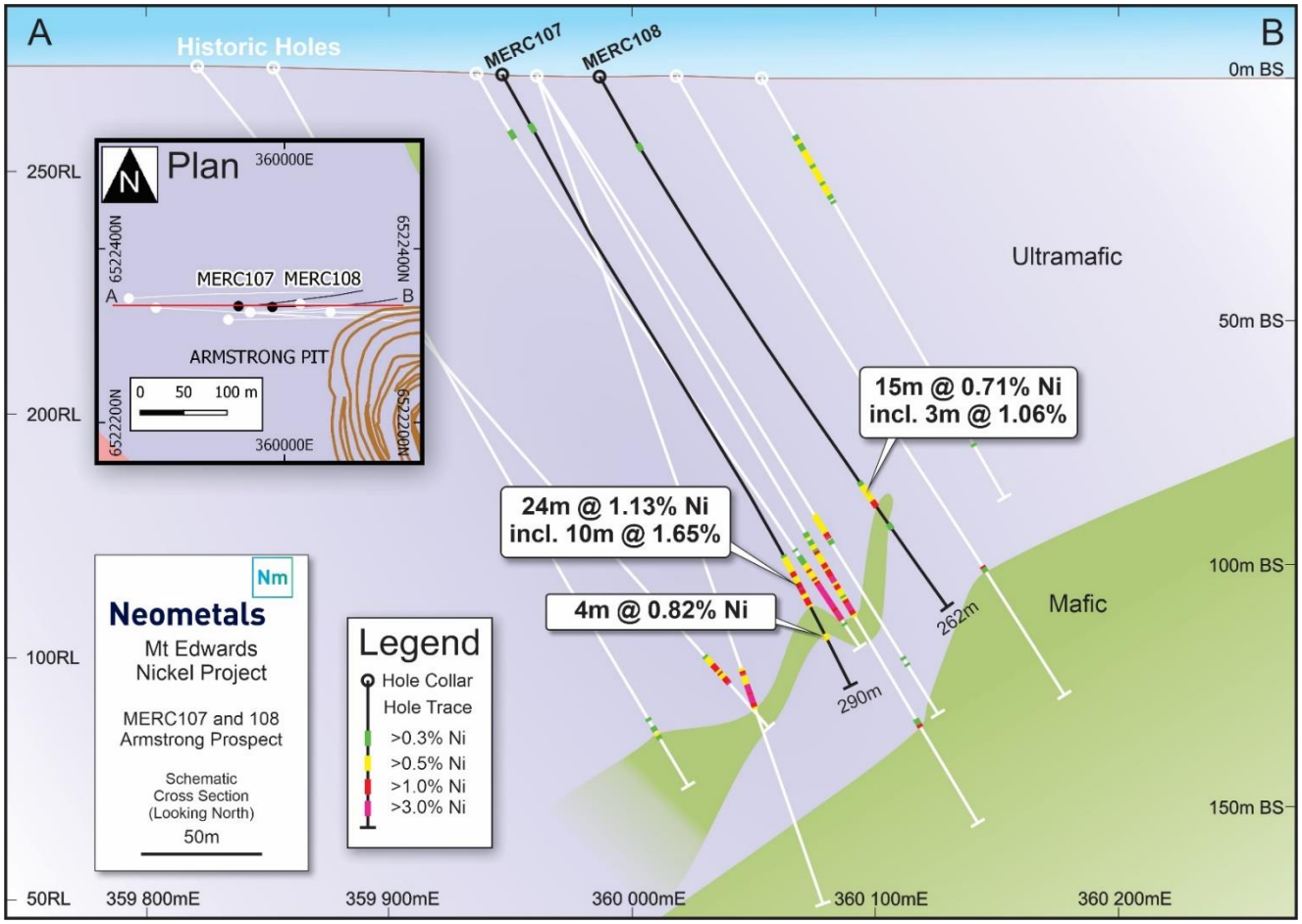

Figure 4 - *Cross section showing significant and mineralised intercepts in MERC107 and MERC108 from December 2019 drilling at Armstrong. Matrix nickel sulphide zones in MERC106 and MERC107 are within wide disseminated nickel zones, hosted in ultramafic rock. While MERC107 shows mineralisation above and on the basalt-ultramafic contact, the basalt was not seen in MERC108.*

The third hole (MERC108) was drilled on the same section line as MERC107, and collared 40 metres to the west, effectively testing the area above the drill trace of MERC107. This hole also deviated to the north however not to the level of MERC107, and at 200 metres downhole a disseminated sulphide zone was intercepted which continued to 211 metres. Assay results show elevated nickel from 196 metres, with an intercept of 15 metres at 0.71% nickel. As per the previous two drill holes enrichment was greatest at the base of the mineralised zone (3 metres at 1.1% nickel from 208 metres downhole), however the geology in MERC108 below the mineralisation shows only a small intercept with basalt, before a return to ultramafic rock. The geochemistry supports the logging of ultramafic to the end of hole at 262 metres. There is a small enriched zone of nickel in ultramafic rock at 220 metres depth.

In summary, the geology intercepted in the drilling at Armstrong shows nickel mineralisation in an ultramafic komatiite located on the basalt contact in the three holes drilled. In MERC107 and MERC108 there is a further intersection of ultramafic rock below the basalt, and then basalt below this. Mineralisation is dipping to the west at about -60°, with an interpreted channel of matrix and massive nickel sulphide plunging to the north.

Assay results from drill holes MERC106 and MERC107 corroborate the observed massive and matrix nickel sulphide mineralisation within a larger disseminated nickel sulphide zone, while MERC108 has a smaller zone of disseminated nickel sulphide. Drill results from Armstrong support the current Mineral Resource estimated from April 2018. After further drilling a re-estimation is planned in the calendar year, with mining studies proposed to understand how to best realise value from the deposit.

Table 2 - *Armstrong Nickel Mineral Resource Estimate from 19 April 2018*

	Measured		Indicated		Inferred		TOTAL Mineral Resources		
Deposit	**Tonnes (Kt)**	**Nickel (%)**	**Tonnes (Kt)**	**Nickel (%)**	**Tonnes (Kt)**	**Nickel (%)**	**Tonnes (Kt)**	**Nickel (%)**	**Nickel (t)**
Armstrong	10	2.1	280	2.3	30	4.9	320	2.6	8,180

Source: ASX announcement entitled "Mt Edwards Nickel - Mineral Resource Estimate" released on 19 April 2018

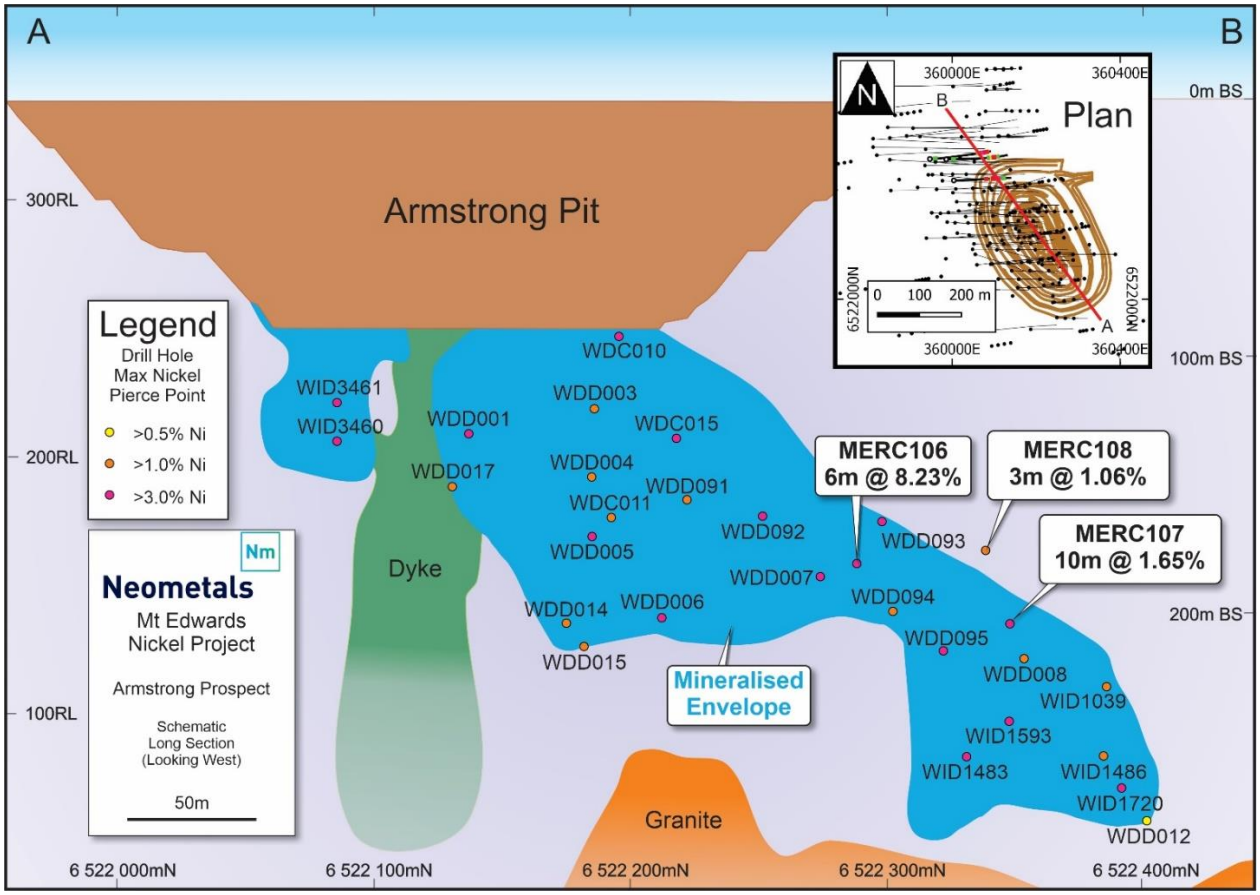

Figure 5 - *Long Section of Armstrong deposit looking west showing the mineralised envelope, historic maximum nickel grades and locations of the pierce points of recent drilling. Note that MERC108 is above the current mineralised envelope used in the Armstrong Mineral Resource.*

Significant Assay Results and Geological Interpretation at E15/1553

Eight RC holes were drilled on the recently acquired Exploration Licence E15/1553 in November 2019. Holes targeted geophysics anomalies re-interpreted from moving and fixed loop ground EM surveys conducted over the area by previous holders, as well as using the geochemistry results from a small number of RAB and AC holes across the tenement to seek the ultramafic – Basalt contact zones.

Of the eight holes drilled, two holes (MERC099 and MERC105) drilled through sequences of ultramafic with little variation in mineralogy, two holes (MERC103 and MERC104) drilled from ultramafic rock into the underlying basalt with no material elevation in nickel grade or sulphide levels, and two holes (MERC102 and MERC102A) were abandoned at 22 and 23 metres due to ground conditions. Holes MERC100 and MERC101 drilled from ultramafic into basalt with elevated nickel near the contact of MERC100.

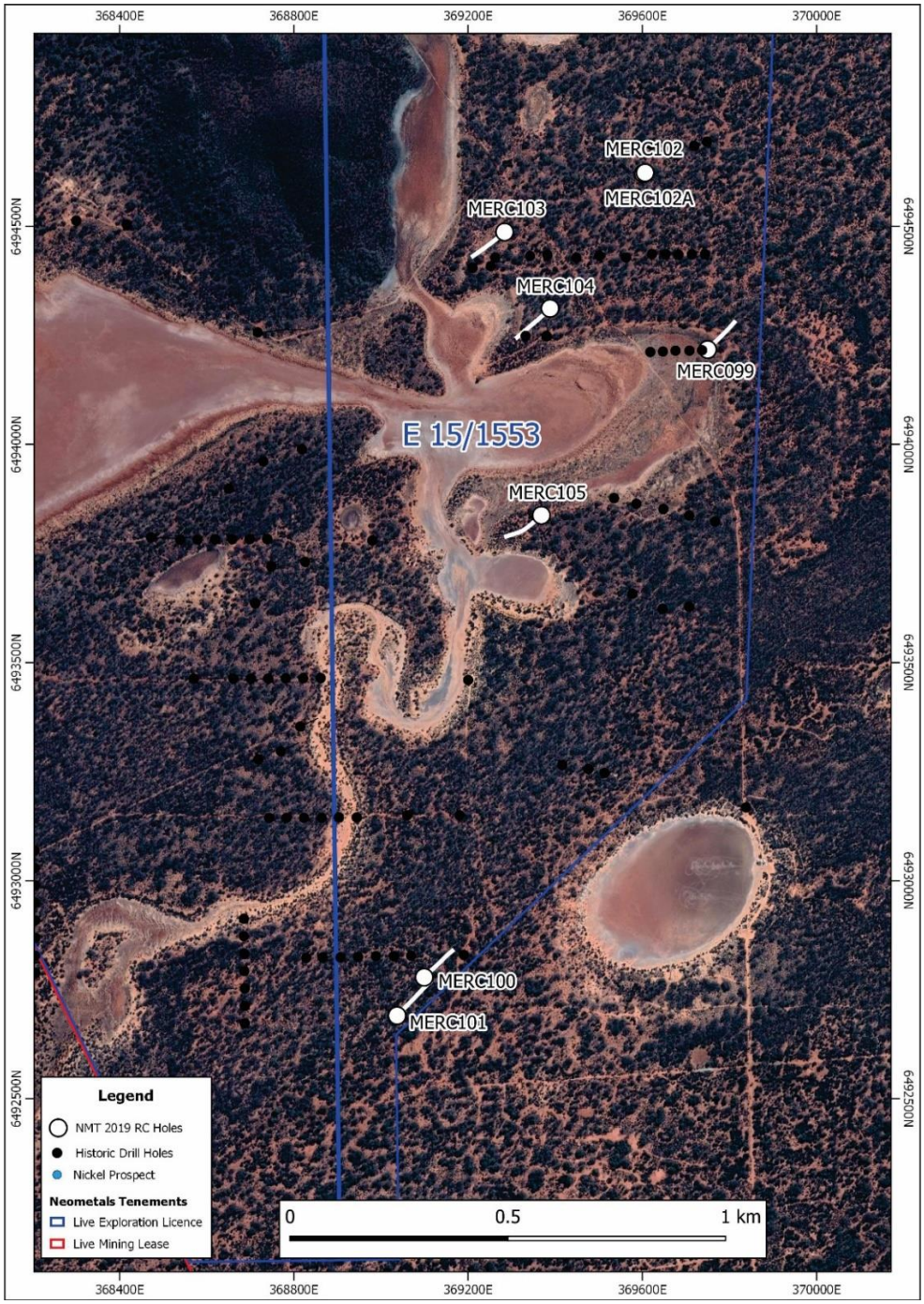

Figure 6 - *The location of MERC100 and MERC101, and the other six RC holes (eight in total) drilled on E15/1553 to test for nickel mineralisation and to improve the understanding of the stratigraphy and structure of the area. MERC100 and 101 intersected enriched nickel approximately 200 metres along strike of Mincor's Cassini North project.*

While the technical success of locating the ultramafic - basalt contact in MERC103 and MERC104 is encouraging, it is drill holes MERC100 and MERC101 which have generated the most interest from this program.

Drill hole MERC100 was drilled at a dip of -60° to the north-east near the southern boundary of Exploration Licence E15/1553. After drilling through a paleochannel into ultramafic rock at 87 metres downhole, the drilling intersected a 3-metre intersection of disseminated sulphide in ultramafic rock at 100 metres downhole depth. Assay results have returned 3 metres at 0.69% nickel, including 1 metre at 1.13% nickel from 100 metres. The mineralised zone is approximately 10 metres above a contact with the underlying basalt.

Table 3 - *Significant intercepts from the drilling on E15/1553 in November 2019*

Prospect	Hole ID	Interval metres	Ni %	Cu ppm	As ppm	From (metres)	To (metres)	Tenement	Total Depth metre
Mazza	MERC100	1	1.13	958	30	100	101	E15/1553	200

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.

A second RC hole (MERC101) was collared approximately 100 metres south-west of MERC100 and drilled at the same dip of -60° and the same azimuth toward the north-east, testing the geology "under" the previous drill hole. Once the transported cover was penetrated at about 64 metres downhole depth drilling continued through a transitional weathered ultramafic rock. Minor sulphides were logged at 98 to 105 metres, and assay results show there is elevated (although not significant) nickel, copper and sulphur values in drill hole MERC101 at 99 to 102 metres. The mineralisation is in ultramafic rock approximately 60 metres above the contact with the underlying basalt.

While only two RC holes have been drilled on this section, and the grades are modest, the current interpretation is a flat lying to moderately west dipping contact between the basalt and ultramafic has been intersected. Elevated copper and chrome levels at the enriched nickel zones support a komatiite origin at these locations, and for early exploration (2nd and 3rd drill holes on this tenement) Neometals are very encouraged with these results.

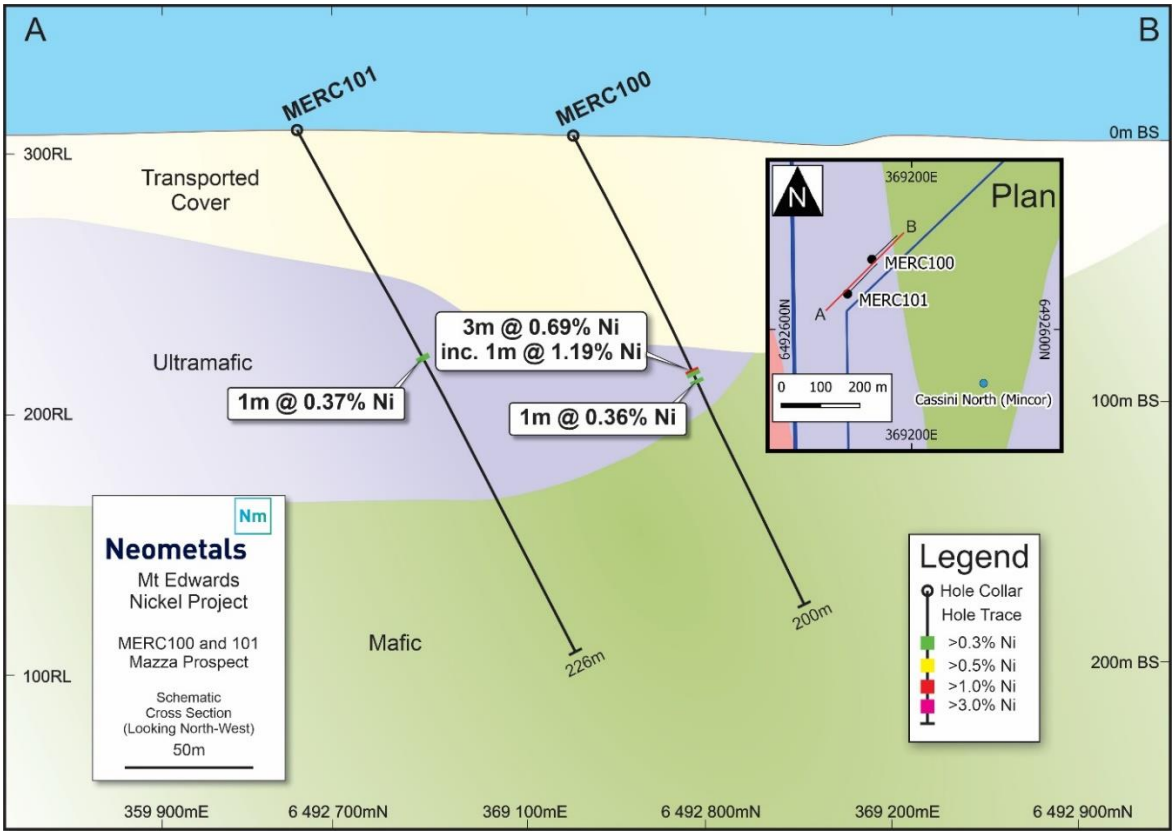

Figure 7 - *Cross section of MERC100 and MERC101 on E15/1553. With a significant intercept of 1 metres @ 1.2% nickel from 100 metres downhole depth in MERC100, and elevated nickel and copper in MERC101, the interpretation is the basalt-ultramafic contact is flat lying to gently west dipping.*

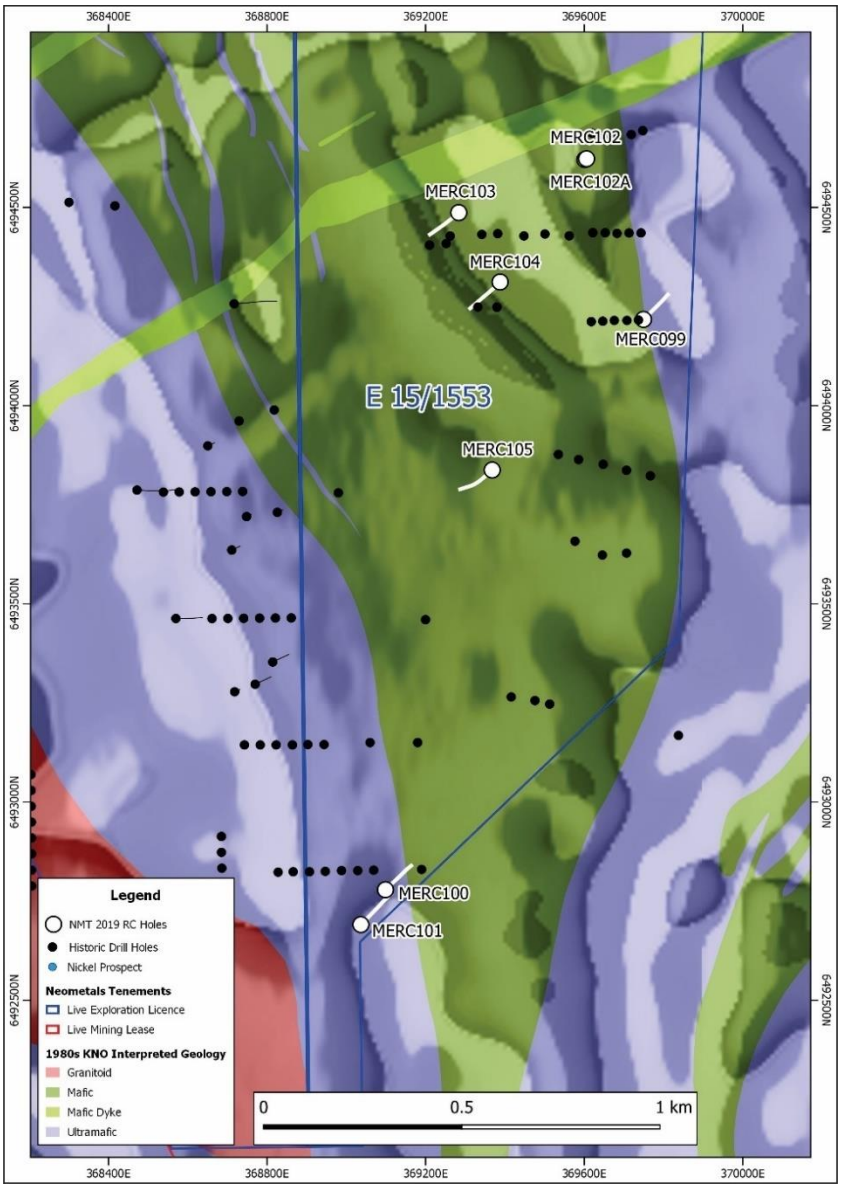

Figure 8 - *Drill hole locations and drill traces in white of recent RC drilling on E15/1553 over the interpreted geology drawn in the 1980's by WMC's Kambalda Nickel Operations.*

Table 4 - *List of RC holes drilled in the November and December RC 2019 drill program including locations, dips and azimuths. Grid used is MGA94_51S*

Hole ID	Drill Type	Drill Depth	Easting	Northing	Collar RL	Azimuth	Dip	Mining Tenement	Location
MERC099	RC	178	369,750	6,494,218	300	45	-61	E15/1553	E15/1553
MERC100	RC	200	369,099	6,492,779	307	46	-62	E15/1553	E15/1553
MERC101	RC	226	369,037	6,492,691	308	47	-61	E15/1553	E15/1553
MERC102	RC	22	369,602	6,494,621	303	45	-60	E15/1553	E15/1553
MERC102A	RC	23	369,606	6,494,623	303	45	-60	E15/1553	E15/1553
MERC103	RC	178	369,284	6,494,487	305	228	-60	E15/1553	E15/1553
MERC104	RC	230	369,388	6,494,312	305	226	-61	E15/1553	E15/1553
MERC105	RC	200	369,368	6,493,838	303	229	-60	E15/1553	E15/1553
MERC106	RC	274	360,004	6,522,283	339	89	-61	M15/99	Armstrong
MERC107	RC	290	359,947	6,522,334	340	88	-61	M15/99	Armstrong
MERC108	RC	262	359,986	6,522,333	340	90	-60	M15/99	Armstrong

DHEM

DHEM (downhole electromagnetics) is an excellent method of near hole nickel sulphide exploration and is also useful for confirming the continuation of mineralisation between holes. In addition to the geochemical assays showing positive results, Neometals have conducted DHEM surveys on two drill holes completed at Armstrong, and two of the holes completed on E15/1553. Upon completion of the drilling 50mm PVC casing was inserted into some of the drill holes at both Armstrong and E15/1553 to enable DHEM geophysical surveys to be carried put. The geophysical modelling and interpretation are currently being conducted.

Summary of the November and December RC programs at Armstrong and E15/1553

In November and December 2019 an RC drill program was conducted at the Armstrong deposit on Mining Lease M15/99 (3 holes for 826 metres), and on the recently acquired Exploration Licence E15/1553 (8 holes for 1,257 metres).

Neometals are encouraged by the results from drilling at Armstrong and E15/1553, with both programs yielding positive results which require follow up and further interpretation. Geochemical results have been matched to geological logging, and a preliminary structural interpretation has been completed.

Significant intercepts of nickel sulphide have been seen in all three drill holes at Armstrong, with further work required to understand the structural setting around drill holes MERC107 & MERC108 where there is a small basalt segment below the mineralisation. Intercepts of massive and matrix nickel sulphide of 5 metre lengths are seen at the base of 20+ metre disseminated nickel sulphide zones.

At E15/1553 two of the eight holes drilled show nickel mineralisation, while a further two holes have successfully penetrated and located the ultramafic – basalt contacts. At the southern extent of the Exploration Licence the basalt-ultramafic contact is interpreted as flat lying; however, this is based on the information of only two drill holes and further drilling is required to confirm the geometry and extent of mineralisation.

Table 5 - *Mineralised intercepts from the November-December 2019 RC drill program*

Hole_ID	Location	From	To	Interval	Ni %	Cu ppm	As ppm	Cr ppm	Fe2O3 %	MgO %	S %
MERC100	E15/1553	100	103	3	0.64	564	17	1,667	11.33	23.1	2.48
MERC100	E15/1553	105	106	1	0.35	556	BDT	1,499	11.65	30.3	1.32
MERC101	E15/1553	99	100	1	0.37	393	12	1,452	7.56	28.7	0.61
MERC106	Armstrong	180	214	34	1.94	1,663	404	1,245	11.8	30.2	1.92^
MERC106	Armstrong	238	240	2	0.33	76	58	2,726	8.37	34.9	0.32
MERC107	Armstrong	24	28	4	0.33	82	35	4,284	20.0	13.0	0.03
MERC107	Armstrong	229	253	24	1.13	782	141	1369	10.2	36.2	1.18
MERC107	Armstrong	272	276	4*	0.82	65	1,446	892	8.66	22.0	0.72
MERC108	Armstrong	32	36	4*	0.36	181	103	4,903	25.2	10.0	0.05
MERC108	Armstrong	188	192	4*	0.30	39	36	1,001	8.24	37.0	0.15
MERC108	Armstrong	196	211	15*	0.71	414	65	1,202	9.30	31.7	0.94
MERC108	Armstrong	220	224	4*	0.30	106	29	1,236	9.22	31.2	0.34

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. BDT = Below Detection Limit. * includes 4m composite sample. ^ includes S grades which reported above 10% detection limit.

Other Nickel Exploration

Neometals are currently conducting a review of results recently received from 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).

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 a full time employee of Neometals Ltd and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and the activity being undertaken, 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 relating to the Armstrong Mineral Resources in this announcement 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:

13/11/2019	Additional Nickel Mineral Resource At Mt Edwards
25/6/2018	Mt Edwards - Mineral Resource Over 120,000 Nickel Tonnes
19/04/2018	Mt Edwards Nickel - Mineral Resource Estimate

The Company confirms that it is not aware of any new information and data that materially affects the information included in the original market announcements and, in the case of the estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcements.

ENDS

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

For further information, please contact:

Chris Reed
Managing Director
Neometals Ltd
T: +61 8 9322 1182
E: info@neometals.com.au

Jeremy Mcmanus
General Manager - Commercial and IR
Neometals Ltd
T: +61 8 9322 1182
E: jmcmanus@neometals.com.au

About Neometals Ltd

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. With a focus on the energy storage megatrend, 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;
- 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; and
- Lithium Refinery Project – co-funding evaluation studies for the development of a lithium refinery to supply lithium hydroxide to the lithium battery 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.

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
Sampling techniques	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 November on E15/1553 and December on M15/99 in the year 2019, unless stated otherwise. 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. 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. A mineralised sample is defined as that which would be expected when tested in a laboratory to have an assay results returned above 3,000ppm (0.3%) nickel. Composite samples were prepared by the geologist at drill site through spear sampling. A sampling spear was used to collect representative samples from 4 consecutive green mining bags and were collected into a pre-numbered calico bag. A typical composite sample weights between 2 and 3.5kg. 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 some of the holes. Base metal, multi-element analysis was completed using a 4-acid digest with ICP-OES finish for 33 elements. Gold was also assayed using Aqua regia for samples on E15/1553.
Drilling techniques	11 Reverse Circulation **(RC)** drill holes have been completed on two mining tenements M15/99 and E15/1553 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 size of drill hole diameter. Holes were drilled at a nominal dip angle of -60^{o} with varying azimuth angles in order to orthogonally intercept the interpreted favourable geological contact zones.
Drill sample recovery	The geologist recorded the sample recovery during the drilling program, and these were overall very good. 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. Minor sample loss occurred in some samples on E15/1553 in transported material due to water, however all transitional and fresh samples have good sample recovery. No relationship between sample recovery and grade has been recognised.

Criteria	Commentary
Logging	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. The total length of drilling during this nickel exploration campaign is 2,083 metres. At the Armstrong deposit on M15/99 a total of 826m was drilled in three drill holes and at E15/1553 8 drill holes were completed for a total of 1,257m. Geochemical analysis of each hole has been correlated back to logged geology for validation.
Sub-sampling techniques and sample preparation	The sample preparation technique carried out in the field is considered industry best standard practice and was completed by the geologist. <u>1 metre samples</u> 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. <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. 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. 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. <u>Sample Preparation</u> Individual samples were weighed as received and then dried in a gas oven for up to 12 hours at 105C. Samples >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. 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. 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. 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. Internal sample quality control analysis was then conducted on each sample and on the batch by the laboratory. Results have been reported to Neometals in csv, pdf and azeva formats.

Criteria	Commentary
Quality of assay data and laboratory tests	Assaying was completed by a commercial registered laboratory with standards and duplicates reported in the sample batches. In addition, base metal Standard Reference samples where inserted into the batches by the geologist. Neometals followed established QAQC procedures for this exploration program with the use of Certified Reference Materials as field and laboratory standards. Field and laboratory duplicates have been used extensively and results assessed. 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. A preliminary QAQC analyses has been conducted on all results received, from all 11 holes drilled. A detailed QAQC analysis is being carried out with all results to be assessed for repeatability and meeting expected values relevant to nickel and related elements.
Verification of sampling and assaying	Assay results are provided by the laboratory to Neometals in csv, pdf and azeva formats, and then validated and entered into the database managed by an external contractor. Backups of the database are stored both in and out of office. 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 that there have been no sample swaps of 1 metre samples at the rig, and that assays are repeatable with acceptable limits. 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. There has been no validation and cross checking of laboratory performance at this stage. Twinned holes have not been used in this program. SG of the mineralised samples has not been considered in determining significant intercepts.
Location of data points	A handheld GPS (Garmin GPSmap76 model) was used to determine the drill hole collar locations during the drill program with a ±8 metres coordinate accuracy. MGA94_51S is the grid system used in this program. Downhole survey using Reflex gyro survey equipment was conducted during the program by the drill contractor. Downhole Gyro survey data were converted from true north to MGA94 Zone51S and saved into the data base. The formulas used are: Grid Azimuth = True Azimuth + Grid Convergence. Grid Azimuth = Magnetic Azimuth + Magnetic Declination + Grid Convergence. The Magnetic Declination and Grid Convergence were calculated with and accuracy to 1 decimal place using plugins in QGIS. Magnetic Declination = 0.8 Grid Convergence = -0.7

Criteria	Commentary
Data spacing and distribution	All drill holes were sampled at 1 metre intervals down hole. Select sample compositing has been applied at a nominal 4 metre intervals determined by the geologist. Drill holes were completed at select geological targets on M15/99, and on geological and geophysical targets on tenements E15/1553. On E15/1553 very little exploration drilling for nickel has been conducted by previous exploration companies. Until drilling by Neometals in November 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. At the Armstrong deposit drilling has been targeted to infill known mineral resources, with spacing from other drilling between 25 to 60 metres. 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.
Orientation of data in relation to geological structure	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 - 60° dip angles, with varying azimuth angles used in order to orthogonally intercept the interpreted favourable geological contact zones. 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 on M15/99.
Sample security	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 for submission. 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.
Audits or reviews	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.

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
Mineral tenement and land tenure status	Neometals (Mt Edwards Lithium Pty Ltd) hold all minerals rights for exploration licence E15/1553 and all mineral rights other than gold on Mining Lease M15/99. Neometals secured an option agreement over E15/1553 in September 2019, and exercised its option to fully acquire the lease along with Prospecting Licence P15/6092 in late November 2019.
Exploration done by other parties	Neometals have held an interest in M15/99 since June 2018, hence all prior work has been conducted by other parties. 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. Titan Resources held Nickel rights from 2001. Consolidated Minerals took ownership from Titan in 2006, and Salt Lake Mining in 2008. Historical exploration results and data quality have been considered during the planning stage of drill locations on M15/99 for this exploration program, and results of the program are being used to validate historic data. On E15/1553 the history of exploration is limited, with only a small number of drill holes recorded on public file used in the planning of the reported drilling.
Geology	The geology in both areas comprises of sub-vertically dipping multiple sequences of ultramafic rock, metabasalt rock units and intermittent meta-sedimentary units, however much of the geology at E15/1553 remains open to interpretation with the limited data collected to date. At the Armstrong deposit on M15/99 an intrusive granitic rock and east-northeast trending dolerite dyke have been reported in previous drilling but were not intercepted in this program. Contact zones between ultramafic rock and metabasalt are considered as favourable zones for nickel mineralisation. Generally, 5 to 10 metres of transported soil cover is observed at Armstrong, with a zone of oxidation varying between 30 to 60 vertical metres. Drilling at the south of E15/1553 encountered transported cover and paleochannels up to 70 metres of vertical depth overlying saprock to fresh material, while drilling to the north of E15/1553 had oxidised zones of 20 to 30 metres, with many drill holes exhibiting fresh material at 50 to 60 metres vertical depth.
Drill hole Information	11 Reverse Circulation (RC) drill holes have been completed during the current nickel exploration program across two tenements for a total of 2,083 metres. The drill and sample programs were conducted in November and December 2019. 3 Reverse Circulation (RC) drill holes have been completed at the Armstrong deposit for a total of 826m, and 8 RC holes were completed on the tenement E15/1553 for a total

Criteria	Commentary
	of 1,257m. One of the planned drill holes on E15/1553 (MERC102) Mazza tenement could not be completed to the target depth due to difficult ground conditions. All drill holes were drilled at a nominal -60° dip at varying azimuth angles. 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.
Data aggregation methods	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.
Relationship between mineralisation widths and intercept lengths	Nickel mineralisation is hosted in the ultramafic rock unit close to the metabasalt contact zones. 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. Due to the ~60° orientation of the mineralised zones there will be minor exaggeration of the width of intercept on M15/99, likely to be in the order of 10%.
Diagrams	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.
Balanced reporting	Current understanding at both areas 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.
Other substantive exploration data	No further exploration data has been collected at this stage.
Further work	Detailed interpretation of the results will commence when all single metre assays have been received and undergone thorough quality control checks. Upon completion of the drilling 50mm PVC casing has been inserted into some of the drill holes at both locations to enable downhole electromagnetic (DHEM) geophysical surveys to be conducted. DHEM surveys were carried out in December 2019. Geophysical modelling and interpretation are currently being conducted. Further drilling is planned to test the potential lateral extents and infill areas for nickel mineralisation.