



NEOMETALS REALISES A\$30 MILLION FOR MT MARION OFFTAKE OPTION

HIGHLIGHTS

- **Mt Marion spodumene offtake option relinquished for A\$30 million cash payment within 10 business days;**
- **The Company retains significant exposure to the lithium-ion battery supply chain through its Primobius battery recycling JV and portfolio of proprietary lithium processing technologies;**
- **Neometals' cash, receivables and investments increase to ~A\$107 million;**
- **Commenced a strategic review of the Indian lithium refinery project.**

Innovative project development company, Neometals Ltd (ASX: NMT) ("**Neometals**" or "**the Company**"), is pleased to announce that it has accepted an offer from Reed Industrial Minerals Pty Ltd ("**RIM**"), the owner of the Mt Marion Lithium Project (**Mt Marion**), for Neometals to relinquish its Mt Marion spodumene offtake option rights for the sum of A\$30 million (ex GST). The proceeds will significantly bolster the Company's already strong balance sheet increasing its cash, receivables and investments to ~A\$107 million (from A\$81.6 million reported at the end of the March 2021 quarter). The Company has no debt and is in a strong position to fund the future capital requirements of its exciting core projects which are approaching investment decisions in 2022.

In March 2019, Neometals retained a life-of-mine annual offtake option for up to 57,000 tpa of Mt Marion 6% Li₂O spodumene concentrate as part of sale of its equity interest in Mt Marion to its then RIM co-shareholders, Ganfeng Lithium Co., Ltd and Mineral Resources Limited ("**MRL**") (together the "**Mt Marion Partners**"). The option rights were granted to Neometals for downstream processing, outside of China, in a business where it held a material equity interest (*for further details see Neometals ASX announcement dated 18th March 2019 titled "Completion of Mt Marion Sale and Strategy Guidance"*).

Since that time, Neometals has been actively evaluating the feasibility of downstream processing in Kalgoorlie and more recently in India under a memorandum of understanding with Manikaran Power Limited (*for further details see Neometals ASX announcement dated 20th June 2019 titled "MOU – Lithium Refinery in India"*).

As a result of the relinquishment of the Mt Marion spodumene offtake option, a strategy review is underway on the Indian lithium refinery. Further announcements will be made to the market once that strategic review is complete.

Neometals will continue to advance its suite of lithium related processing technologies, including the patented "ELi[®]" technology owned 70:30 by Neometals and MRL, for the purification and electrolysis of lithium chloride solutions to produce lithium hydroxide (*for further details see Neometals ASX announcement dated 11 July 2016 titled "Positive Lithium downstream Processing Feasibility Results"*). The majority of global lithium production (and resources) are derived from the solar concentration of lithium chloride bearing brines by the traditional carbonate and causticizing processes.

Neometals' Managing Director Chris Reed said:

"We are pleased to realise significant value for our Mt Marion offtake rights from RIM and conclude our involvement with this world class asset that transformed Neometals. We wish our former Mt Marion Partners every success in the future. Neometals will maintain its involvement in the lithium supply chain through the recycling of production scrap and end-of-life lithium batteries, and portfolio of lithium focused technologies."

ENDS

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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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 with large partners that support the global transition to clean energy and span the battery value chain:

Recycling and Resource Recovery:

- Lithium-ion Battery Recycling – a proprietary process for recovering nickel, cobalt and other valuable materials from spent and scrap lithium batteries. Completing construction of demonstration scale plant with 50:50 JV partner SMS group. Targeting a development decision in Mar Q 2022; and
- Vanadium Recovery – sole funding evaluation studies to form a 50:50 joint venture with Critical Metals Ltd to recover high-purity vanadium pentoxide from processing by-products (“Slag”) from leading Scandinavian steelmaker SSAB. Underpinned by a 10-year Slag supply agreement, Neometals is targeting an investment decision to develop a 200,000tpa processing plant in DecQ 2022.

Upstream Industrial Minerals:

- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in 2022 with potential operating JV partner IMUMR and potential cornerstone product off-taker, Jiuxing Titanium Materials Co.