The 21 Century tech tsunami
- batteries will be included

Prof Ray Wills
Managing Director
Future Smart Strategies

Adjunct Professor
The University of Western Australia
How to be a better surfer

- Where is all this new tech taking us?
- What do markets tell us about how quickly disruptive technologies will impact on everything?
- How do we prepare ourselves, our businesses and our cities for mind-boggling rapid change?
- What’s all this got to do with lithium and batteries?

Prediction is very difficult, especially about the future.

(Niels Bohr)
Roger’s diffusion curve

Technology X Uptake over Time

- Saturation reached
- Uptake of X with Competition from Y
- Y Migration overtakes

Time

Market share %

- Innovators 2.5%
- Early Adopters 13.5%
- Early Majority 34%
- Late Majority 34%
- Laggards 16%

@ProfRayWills
Wake up and smell the roses

- Buggy whips -> combustion engine -> EVs?
- (Electric) typewriter -> word processor -> PC
- PC -> desktop -> laptop -> tablet
- Landline -> mobile -> smartphone (BlackBerry)
- Record shops Vinyl -> CD -> (Apple Store)
- VHS/Beta -> DVD -> BlueRay -> Cloud
- Book Shops Boutique -> mega -> (Amazon)
- Retail shop-> Boutique-> chain/mega -> Internet
- Energy -> chopping wood -> coal -> wind -> solar
Technology adoption rates – US

- Solar panels are VCRs, not dishwashers
- Batteries will be, too

(Will there ever be any more dishwashers??)

NY Times

@ProfRayWills
A Brief Moment in Time
Predicting anything is difficult.

- Trajectory taking exponential growth into account.
- Trajectory based on past growth rate.
- Trajectory based on present growth rate.

Correct prediction.

Bad predictions (underestimating the future).

Present Day.

Date in the future.

@ProfRayWills
Predicting anything is difficult

And don’t forget the old tech exit

@ProfRayWills
Technology adoption rates - vehicles

**Power Mirrors**
- % Passenger Cars Equipped vs. Year
- Actual vs. Fitted curves

**Keyless Entry**
- % Passenger Cars Equipped vs. Year
- Actual vs. Fitted curves

**Fuel Injection**
- % Passenger Cars Equipped vs. Year
- EPA, Fitted, Wards curves

**Fuel Injection**
- % Passenger Cars Equipped vs. Year
- Comparison of adoption rates for different car manufacturers (Honda, Mazda, Chrysler, Ford, Toyota, VW, Nissan, BMW, GM, Mercedes)

Zoepf 2011
Technology adoption rates - vehicles

Zoepf 2011
The Big Bang Theory

Big Bang Market Adoption

BIG BANG MARKET SEGMENTS

Trial Users  Everybody Else

Innovators  Early Adopters  Early Majority  Late Majority  Laggards

ROGERS'S MARKET SEGMENTS

@ProfRayWills
Declining PV price

22% price reduction for each doubling of cumulative volume

2006 c-Si price increase due to polysilicon shortage
Global renewables 2015 +>

FIGURE 12. GLOBAL NEW INVESTMENT IN RENEWABLE ENERGY BY REGION, 2004-2014, $BN

Welcome to the Terrordome... $/MMBTU by Energy Type

Henry Hub
US Bitumous Coal
Brent
LNG
Solar

Source: EIA, CIA, World Bank, Bernstein analysis

@ProfRayWills
Global renewables growth and forecast

Global capacity growth 2014 and forecast to 2025
wind, PV, CSP (GW) battery (GWh) actual; forecast @ProfRayWills Data update 23Aug15
Batteries already a common commodity
Storage will be simply a common commodity

6MW/36MWh ESS in China
Cooperated with China State Grid

Completed in March 2011.
One of the largest Li-ion battery storage system in the world
Potential EV growth (already faster)

Figure 3. EV Stock Targets [select EVI members]

Source: EVI. Note: A 20% compound annual growth rate is assumed for countries without a specific stock target (i.e., only a sales target) or with targets that end before 2020.

Global EV predicted cumulative sales (millions) to 2025 including self-driving and fully autonomous

2012-2014 @InsideEVs @ProfRayWills forecast
http://www.raywills.net/rtwtechadopt.html
Commercial transport
Storage will be simply a common commodity
Storage will be simply a common commodity

Planned 2020 Gigafactory Production Exceeds 2013 Global Production

Battery pack cost/kWh reduced >30% by Gen III volume ramp in 2017
Storage will be simply a common commodity

Global battery storage (GWh) and price ($/kWh)
2013-2014 market data; 2015 on @ProfRayWills forecast 22% price decline Update 11Aug15
Storage will be simply a common commodity
Future Smart Strategies

Business  Innovation  Sustainability

Assess business opportunities
Build business partnerships
Manage business risk
Engage stakeholders
Utilise strategic experience
Understand policy and regulation
Take evidence-based approaches
Get expert sustainability advice
Embrace cutting-edge technologies

www.futuresmart.com.au

@ProfRayWills
www.futuresmart.com.au
“Australia: A Reliable and Diverse Source of Lithium for the Expanding Battery Market”

Neometals AGM, Perth.
27th November 2015
Professor Dudley J. Kingsnorth
Curtin Graduate School of Business & IMCOA
Disclaimer
(“Forward Looking Statements”)

The statements in this presentation represent the considered views of the Industrial Minerals Company of Australia Pty Ltd (IMCOA) and the Curtin Graduate School of Business (CGSB) at Curtin University, Western Australia. It includes certain statements that may be deemed "forward-looking statements." All statements in this presentation, other than statements of historical facts, that address future market developments, government actions and events, are forward-looking statements. Although IMCOA and CGSB believe the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include new rare earth applications, the development of economic rare earth substitutes and general economic, market or business conditions.

While, IMCOA and CGSB have made every reasonable effort to ensure the veracity of the information presented they cannot expressly guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein. Accordingly, the statements in the presentation should be used for general guidance only.

Disclosure

Professor Dudley J. Kingsnorth, through the Industrial Minerals Company of Australia Pty Ltd (“IMCOA”) and Curtin University provides rare earths and lithium market and project development advice to a number of consumers and producers This advice is provided on a fee for service basis; with no success or promotional fees or obligations. There are Confidentiality Agreements in place with many of these companies, but this does not preclude comment on the public information available on these companies.

Given the highly prospective opportunities offered by the forecast high growth in demand for lithium IMCOA does own securities in a number of lithium companies. Professor Kingsnorth does not hold any executive or non-executive positions in any company associated with the lithium sector.
Lithium: What is it?
Lithium – Li, Li$_2$O or Li$_2$CO$_3$?

The lithium content of minerals and compounds is referred to in one of three units depending on the source quoted and the end-use referred to:

- lithium (Li) content
- lithium oxide (lithia, Li$_2$O) content
- lithium carbonate (Li$_2$CO$_3$) content or lithium carbonate equivalent (LCE)

Lithium oxide content is widely-used in the glass and ceramics industry, while LCE is commonly used for lithium compounds. The conversion factors are shown below.

### Conversion Factors

<table>
<thead>
<tr>
<th>To Convert from:</th>
<th>to Li $x$</th>
<th>to Li$_2$O $x$</th>
<th>to Li$_2$CO$_3$ $x$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium Li (100% Li)</td>
<td>1.00</td>
<td>2.53</td>
<td>5.32</td>
</tr>
<tr>
<td>Lithium Oxide Li$_2$O (Lithia) (46.4% Li)</td>
<td>0.46</td>
<td>1.00</td>
<td>2.47</td>
</tr>
<tr>
<td>Lithium Carbonate Li$_2$CO$_3$ (18.8% Li)</td>
<td>0.19</td>
<td>0.40</td>
<td>1.00</td>
</tr>
<tr>
<td>Spodumene LiAl (SiO$_3$)$_2$</td>
<td>0.04</td>
<td>0.08</td>
<td>0.16</td>
</tr>
</tbody>
</table>
The Lithium Market Today

- Estimated demand 2015: ~160,000 ktpa LCE (2014: ~150 ktpa)
- Market could grow to 4-500 ktpa by 2025.
- Brine sources are dominant supply at present.
- Time to construct and high capex of future brine production are creating opportunities for hard-rock projects.
- Australia, as the largest single producer, is well-placed to play a significant role in future downstream/value-add production.
## Lithium Market by Sector 2015-2025

### Forecast (Conservative) Global Growth Rates 2015 to 2025

<table>
<thead>
<tr>
<th>Application</th>
<th>Lithium Products</th>
<th>Demand ktpa LCE</th>
<th>Growth between 2015-2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Batteries</td>
<td>• Specialty compounds – primarily derived from lithium hydroxide</td>
<td>60-70 ktpa</td>
<td>10-15% p.a. = 200-250 ktpa</td>
</tr>
<tr>
<td>Glass/Ceramics</td>
<td>• Spodumene concentrates</td>
<td>40-50 ktpa</td>
<td>2-4% p.a. = 55-65 ktpa</td>
</tr>
<tr>
<td></td>
<td>• Lithium carbonate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greases/Lubricants</td>
<td>• Lithium hydroxide</td>
<td>15-20 ktpa</td>
<td>4-8% p.a. = 30-40 ktpa</td>
</tr>
<tr>
<td>Metal Alloys</td>
<td>• Lithium metal and alloys</td>
<td>10-15 ktpa</td>
<td>3-5% p.a. = 15-25 ktpa</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>• Various</td>
<td>5-10 ktpa</td>
<td>3-5% p.a. = 10-15 ktpa</td>
</tr>
<tr>
<td>Polymers</td>
<td>• Various</td>
<td>4-8 ktpa</td>
<td>2-4% p.a. = 10-15 ktpa</td>
</tr>
<tr>
<td>Medicine</td>
<td>• Specialty organo-compounds</td>
<td>4-8 ktpa</td>
<td>2-4% p.a. = 10-15 ktpa</td>
</tr>
<tr>
<td>Others</td>
<td>. Various</td>
<td>10-15 ktpa</td>
<td>3-6% p.a. = 15-25 ktpa</td>
</tr>
<tr>
<td>Compound Average</td>
<td>N/A</td>
<td>150-170 ktpa</td>
<td>6-10% p.a. = 350-400 ktpa</td>
</tr>
<tr>
<td>Growth Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Ideal Battery – Why Lithium?

1. High Charge Density
2. Light
3. Recharges Rapidly
4. Long lifespan
5. Discharge rate
6. Ability to hold charge for long period of time
Lithium: Dominant Re-chargeable Battery

![Battery Capacity Chart]

Source: Avicenne (2013)
Batteries will be the Major Application for Lithium for the Next Decade

Lithium Demand by Application - 2014

- Batteries: 38%
- Air conditioning: 25%
- Ceramics and glass: 12%
- Lubricating greases: 7%
- Polymers: 4%
- Medicine: 3%
- Metallurgy: 4%

Lithium Demand by Application - 2025

- Batteries: 63%
- Air conditioning: 15%
- Ceramics and glass: 8%
- Lubricating greases: 4%
- Polymers: 2%
- Medicine: 2%
- Others: 4%

Source: signumBox estimates
Potential Impact of Indicative Battery Factory Expansions – Creating Opportunities for New Suppliers
Lithium Carbonate
(Li$_2$CO$_3$)

Long considered the *building block* of the lithium industry as for many years it has been the basic chemical from which lithium compounds are manufactured, including battery chemicals. Why?

- Low cost
- Readily available
- Relatively easy to store
Lithium hydroxide (LiOH)

- Excellent physical properties for moving and storing electrons.
- Has gained popularity as battery chemists improve performance.
- Estimated demand in 2015: 35kt.
- Estimated demand in 2025: 80-160kt.
Growing Support for LiOH

- Tesla Gigafactory committed to using LiOH.
- US government contributed US$30m towards small LiOH production plant in USA.
- Canadian government has contributed CAD$13M towards LiOH pilot plant in Canada.
- Albemarle committed to expanding lithium production capacity via Australian spodumene – in Asia (WA to be assessed as a site)
Hard rock lithium prices are rising

Chinese Spodumene Imports 2014/15: From Australia (6% Li₂O)

Source: SgnumBOX, Global Trade Information Services and Neometals Management
### Potential Impact of Battery Demand

*(In Lithium Carbonate Equivalent (LCE), tpa (±30%))*

*(Notes: 1. Assume Battery Growth in Demand is 15-20% p.a. to 2025 2. Assume 7.75 tonnes of spodumene concentrate @ 6% Li$_2$O is required to produce 1.00 tonnes of lithium carbonate). 3. Figures have been rounded)*

<table>
<thead>
<tr>
<th>Demand &amp; Capacity</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brine</td>
<td>Hard Rock</td>
<td>Brine</td>
</tr>
<tr>
<td>Demand</td>
<td>150,000tpa LCE</td>
<td>275,000tpa LCE</td>
<td>450,000tpa LCE</td>
</tr>
<tr>
<td>Capacity (Required)</td>
<td>120,000tpa</td>
<td>95,000tpa (725,000tpa Spod Cons)</td>
<td>150,000tpa (1,350,000tpa Spod Cons)</td>
</tr>
<tr>
<td>Supply</td>
<td>85,000tpa</td>
<td>65,000tpa (525,000tpa Spod Cons)</td>
<td>125,000tpa (1,150,000tpa Spod Cons)</td>
</tr>
<tr>
<td>Additional Capacity (in 5/10 years)</td>
<td>n/a</td>
<td>n/a</td>
<td>35,000tpa (625,000tpa Spod Cons)</td>
</tr>
</tbody>
</table>
# Australian Hard Rock Lithium Projects

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Resource</th>
<th>Operational</th>
<th>Study</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talison</td>
<td>Greenbushes</td>
<td>120Mt @ 2.4% Li₂O 7,100kt LCE</td>
<td>Yes</td>
<td>N/A</td>
<td>500ktpa cons 75 ktpa LCE</td>
</tr>
<tr>
<td>Neometals</td>
<td>Kalgoorlie</td>
<td>23Mt @ 1.4% Li₂O 800kt LCE</td>
<td>Q3 2016</td>
<td>Complete</td>
<td>200ktpa cons 30ktpa LCE</td>
</tr>
<tr>
<td>General Mining</td>
<td>Ravensthorpe</td>
<td>16Mt @ 1.1% Li₂O 400kt LCE</td>
<td>Q2 2016</td>
<td>In progress</td>
<td>80ktpa cons 12ktpa LCE</td>
</tr>
<tr>
<td>Pilbara Minerals</td>
<td>Port Hedland</td>
<td>41Mt @ 1.4% Li₂O 1,400kt LCE</td>
<td>2017</td>
<td>In progress</td>
<td>TBA</td>
</tr>
<tr>
<td>Altura Mining</td>
<td>Port Hedland</td>
<td>26Mt @ 1.2% Li₂O 800kt LCE</td>
<td>TBA</td>
<td>In progress</td>
<td>TBA</td>
</tr>
</tbody>
</table>
Australia: The Opportunity

- Battery demand could exceed supply.
- Adjacent to major Asian battery manufacturers.
- Maintain our #1 global lithium supplier status.
- Potentially more sustainable to *add value* in Australia right through to batteries - when spodumene concentrates only 6% Li$_2$O
“Australia: A Reliable and Diverse Source of Lithium for the Expanding Battery Market”

djk@imcoa.com.au
dudley.kingsnorth@curtin.edu.au
Disclaimer

Summary information: This document has been prepared by Neometals Ltd ("Neometals" or "the Company") to provide summary information about the Company and its associated entities and their activities current as at the date of this document. The information contained in this document is of general background and does not purport to be complete. It should be read in conjunction with Neometals’ other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Forward-looking information: This document includes certain statements, opinions, projections, forecasts and other forward-looking information which, while considered reasonable by Neometals, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results included in this document. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance – they must make their own independent investigations, consideration and evaluation of the opportunity to invest in the Company. By accepting this document, recipients agree that if they proceed further with their investigations, consideration or evaluation of the opportunity to invest in the Company, they will make and rely solely upon their own investigations and enquiries and will not in any way rely upon this document.

Any statements, opinions, projections, forecasts and other forward-looking information contained in this document do not constitute any commitments, representations or warranties by Neometals and its associated entities, directors, agents and employees, including any undertaking to update any such information. Recipients of this document are cautioned that forward-looking statements are not guarantees of future performance – they must make their own independent investigations, consideration and evaluation of the opportunity to invest in the Company. By accepting this document, recipients agree that if they proceed further with their investigations, consideration or evaluation of the opportunity to invest in the Company, they will make and rely solely upon their own investigations and enquiries and will not in any way rely upon this document.

Financial data: All figures in this document are in Australian dollars (AUD) unless stated otherwise.

Not financial product advice: This document is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire securities in Neometals. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making any investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

Investment risk: An investment in securities in Neometals is subject to investment and other known and unknown risks, some of which are beyond the control of Neometals. The Company does not guarantee any particular rate of return or the performance of Neometals. Investors should have regard to the risk factors outlined in this document.

Competent Persons Statement:
The information in this document that relates to “Barrambie Scoping Study Results”, “Mt Marion test work results”, “Barrambie Mineral Resource Estimates”, “Mt Marion Mineral Resource Estimates” and “Barrambie Pre Feasibility Study Results” is extracted from ASX Releases set out below. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Releases set out below, and in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in those ASX Releases continue to apply and have not materially changed.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/11/2013</td>
<td>Barrambie - Scoping Study Results</td>
</tr>
<tr>
<td>25/08/2015</td>
<td>Barrambie Pre Feasibility Study Results</td>
</tr>
<tr>
<td>21/09/2015</td>
<td>Mt Marion Lithium Project - New Mineral Resource Estimate</td>
</tr>
</tbody>
</table>

The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production targets in the Barrambie Pre-feasibility Study and Mt Marion Pre-feasibility Study continue to apply and have not materially changed.

Neometals
Our Strategy

To generate multiple, long term cashflow streams that we can share with our shareholders
Corporate Details

Price (AU cents)

ASX Code: NMT      OTC: RDRUY

Last close (26 Nov 2015)       A$0.135

Shares on issue              559 M

Cash (30 September 2015)       A$34 M

Incl Restricted Term Deposit  A$5.1 M

Market capitalisation        A$75 M
Group structure

Neometals Ltd
(ASX:NMT)

- Reed Industrial Minerals Pty Ltd
  - Mount Marion Lithium Project
  - Barrambie Titanium Project
  - Lithium Hydroxide Project (ELI Process)

- Reed Advanced Materials Pty Ltd

- Process Minerals Int'l Pty Ltd (Mineral Resources Ltd)

- Jiangxi Ganfeng Lithium Co., Ltd

- Neometals Ltd

Li + Ti = Nm
Board and management structure

- Disciplined, cohesive and engaged board/management group
- Move to best practice CG structure
- Steven Cole becomes Independent Chairman
- David Reed remains Non-executive Director
- Recruit up to 2 additional independent NED’s
- Lean CEO/CFO/COO management team
- Appointment of Senior Lithium industry executive Michael Tamlin as COO
All the right elements

Li + Ti = Nm
Demand Fundamentals

Lithium Demand by Application - 2014
(200,000t of LCE)

Lithium Demand by Application - 2025
(500,000t of LCE - forecast)

Source: signumBox estimates

Neometals
Demand Fundamentals

Global Battery Storage (GW) and Price ($/kW)
2013 / 2014 market data 2015 on @ProfRayWills forecast  Update 7 May 2015

Teslad Power Wall (Domestic)

Storage GW Wills

70% Cheaper
5 Years Sooner

Neometals

Li + Ti = Nm
Supply Fundamentals

Mine Production in 2014 of Contained Tonnes of Lithium Carbonate Equivalent (LCE)

Portugal 3,000t
Zimbabwe 5,230t
China 26,000t
Australia 68,000t
Chile 67,500t
Argentina 15,100t

Brine based exports Q2 2015
SQM ↓29% ALB ↓29% FMC ↓35%

Source US Geological Survey
SignumBOX (Exports)
Strong demand – constrained supply

Lithium Chemicals in Cathode Materials for Rechargeable Batteries

Demand in metric tonnes of lithium carbonate equivalent (LCE)

- LiOH: Lithium hydroxide
- Li₂CO₃: Lithium carbonate

Current LiOH Price: US$8,500/t
Current Li₂CO₃ Price: US$6,400/t

Latest Chinese Prices: Nov 2015

Demand & Price Forecast Source: signumBOX

Neometals
Lithium is the only real alternative to oil

Source: Roskill

Neometals
Mt Marion Lithium Project

45% Neometals Ltd
25% Ganfeng Lithium
30% and Operator
Mineral Resources Ltd (ASX:MIN)
Project Strategy

Mt Marion Lithium Mine
Operated by MIN Ganfeng Offtake

IN CONSTRUCTION

Lithium Hydroxide Plant with Partner(s)

PATENTED
DFS UNDERWAY

Integrated Lithium Producer

Neometals

\[ \text{Li} + \text{Ti} = \text{Nm} \]
Strong Operating Partner

✓ Australia’s largest contract minerals processor
✓ Operate mine-to-port on BOO basis
✓ No upfront capital cost to NMT
✓ Certainty of construction and production timing
✓ Minimum production levels
✓ Fixed rate mining and processing costs

Neometals
Strong Offtake Partner

China’s 2nd largest, most profitable lithium producer
Life-of-Mine, Take-or-pay Offtake Agreement
At Market Price with floor price protection
US$20M Letter of Credit (100% payment on shipping)
Ability for MIN/Neometals to take equity share of production after 3 years.

Neometals
Potential Option Exercise Outcomes

NMT 45% if no exercise

MIN & GFL exercise
- MIN \( \uparrow 13.1\% \)
- GFL \( \uparrow 24\% \)
  - No MIN Selldown
  - Prorata MIN selldown

GFL exercise only
- GFL \( \uparrow 18.1\% \)
- GFL \( \uparrow 24\% \)

Neometals
- 13.8% equity + US$46.8M
- 21% equity + US$36M
- 30.6% equity + US$21.6M
Site layout

Deposit 2
2.4Mt @ 1.4% Li₂O

Deposit 2W
8.7Mt @ 1.4% Li₂O

Deposit 1
6.7Mt @ 1.4% Li₂O

Deposit 5
1.0Mt @ 1.3% Li₂O

Deposit 6
3.3Mt @ 1.2% Li₂O

Deposit 4
2.3Mt @ 1.3% Li₂O

Proposed Tailings Storage Facility

Existing HV Powerline

3 Stage Crushing Plant

Gravity/DMS/Flotation Beneficiation Plant

Feed 1.75Mtpa

6% Li₂O Product +200,000t

+80,000tpa 4% Li₂O

Neometals

Li + Ti = Nm
Lithium Concentrate Prices

Chinese Spodumene Imports 2014/15: From Australia
(6% Li₂O)

Source: SignumBOX, Global Trade Information Services and Neometals Management

Neometals
Near-term milestones

Commence Construction: Nov 2015
- Q4 CY16 First Shipment

Commence Mining: Q1 CY16
- July 2016 Commence Processing

Commence Drilling: Nov 2015
- Q1 CY16 Drill Results

Drill Results: Q1 CY16
- Q2 CY16 New Resource

New Resource: Q2 CY16
- Q2 CY16 New Reserve

Neometals

Li + Ti = Nm
Downstream processing
Lithium Hydroxide (LiOH)

70% Neometals Ltd
30% Mineral Resources Ltd
Downstream Strategy Animation
Own low-cost Patented Technology

Lithium Industry Competitive Cost Position
2015 Cash Costs for Lithium Hydroxide
(US$ per tonne)

Source: Global Lithium LLC (costs), Industrial Minerals (price), Neometals Management (ELi cost)

Neometals

Li + Ti = Nm
Own low-cost Patented Technology

Capital Efficiency (US$/production tonne LCE per annum)

Sources: FMC Corporate Presentation 2011, Neometals Management Analysis

Neometals
## Pre-feasibility Study - Financial Metrics (*)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life of Plant (LOP)</td>
<td>20 years</td>
</tr>
<tr>
<td>Pre-production Capital cost *</td>
<td>US$ 83 million</td>
</tr>
<tr>
<td>Average Annual Pre-tax Net Cashflow</td>
<td>US$ 63 million</td>
</tr>
<tr>
<td>Pre-tax Internal Rate of Return</td>
<td>94%</td>
</tr>
<tr>
<td>Pre-tax NPV (12% real discount rate)</td>
<td>US$ 321 million</td>
</tr>
<tr>
<td>Payback of capital costs</td>
<td>2 years</td>
</tr>
<tr>
<td>Average Annual Production</td>
<td>10,000t LiOH 8,810t Li₂CO₃</td>
</tr>
<tr>
<td>Average Cost per tonne of LiOH</td>
<td>US$ 3,878/t</td>
</tr>
<tr>
<td>Average Cost per tonne of Li₂CO₃</td>
<td>US$ 4,538/t</td>
</tr>
</tbody>
</table>

(*) Capital costs valid at September 2012. Estimated to accuracy of ±35%
Assumptions: Spodumene feedstock US$350/t CIF (6% Li₂O); LiOH/Li₂CO₃ selling price US$6,900/t CIF, MYR = US$0.32
Commercialisation Plan

- **Complete Definitive Feasibility Study**: JuneQ 16
- **Pilot Plant Hydromet & Electrolysis**: 2016/17
- **FEED (FEL4) & Final Investment Decision**: 2017

(*) Subject to RAM Board Approval
Barrambie Titanium Project
100% Neometals
Titanium Fundamentals

TiO$_2$ Demand vs Price

Source: US Geological Survey, Industrial Minerals and Huntsman

Neometals
Sources: Company Reports
High Quality Resource

1. +150Mt @34% TiO₂
   Lac Tio
   RioTinto

2. 47Mt @22% TiO₂
   Barrambie*

3. 18%
   Tellnes

* Mineral Resource Estimate (JORC2012) on page 29
Project Strategy

Mine, Concentrate and Truck Titanium Concentrate

Produce Titanium Pigment with Industry Partner

Integrated Titanium Producer

Neometals

Li + Ti = Nm
Licenced low-cost Technology

Competitors

<table>
<thead>
<tr>
<th>Rutile</th>
<th>Chlorination &amp; Purification</th>
<th>Final Product Fine Pigment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost
US$2,100 - 2,300/t

Neometals

- Mini-pilot scale testing in Canada – 2014/15
- High purity +99% TiO₂
- PFS Completed by Sedgman – August 2015

Cost
US$1,214/t
US$572/t

Sources: SQM (Brine Flowsheet) and Neometals internal analysis including 2012 Pre-feasibility Study. All prices are FOB Basis.
Relative Standard-Plant Cash Operating Costs
(US$ per tonne TiO$_2$ delivered basis)
Neometals PFS = Base 100

Disclaimer: The TZMI costs (NA, EU, China) are for standard plant models in each location. They are not specific costs, rather are they averages of the costs for a location. Q4 2014
TZMI information and Neometals scoping and pre-feasibility studies performed separately and may not be like-for-like analyses
## Pre-feasibility Study - Financial Metrics (*)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life of Mine (LOM)</td>
<td>19.6 years</td>
</tr>
<tr>
<td>Pre-production Capital cost (excluding EPCM and Contingency)</td>
<td>A$ 549 million</td>
</tr>
<tr>
<td>Average Annual Pre-tax Net Cashflow</td>
<td>A$ 123 million</td>
</tr>
<tr>
<td>Pre-tax Internal Rate of Return</td>
<td>21%</td>
</tr>
<tr>
<td>Pre-tax NPV (12% real discount rate)</td>
<td>A$ 355 million</td>
</tr>
<tr>
<td>Payback of capital costs</td>
<td>3.9 years</td>
</tr>
<tr>
<td>Average Annual Production</td>
<td>98,000t TiO₂</td>
</tr>
<tr>
<td></td>
<td>2,000t V₂O₅</td>
</tr>
<tr>
<td></td>
<td>234,000t Fe₂O₃</td>
</tr>
<tr>
<td>Cash Operating Cost per tonne of paid TiO₂ net of co-product credit</td>
<td>US$ 572/t</td>
</tr>
</tbody>
</table>

(*) Estimated to accuracy of ±25%
Assumptions: US$1,838/t TiO₂; US$14,873/t V₂O₅, US$520/t Fe₂O₃ Pigment, A$/US$0.75, Royalties (State/Technology) 10% Gross
Commercialisation Plan

Completed
Pre-feasibility
Study
Aug 2015

Pilot Scale
Beneficiation & Hydromet Test work *
2016

Definitive
Feasibility Study *
2017

Final
Investment Decision *

Attract JV Partner

(*) Subject to Board Approval
Investment Proposition
Lithium: Cash and cashflow

01
US$19.5M plus Production commencing mid-2016

02
Potential for US$46.8M from option exercise plus 13.8% share of production cashflows

03
Potential to expand production and/or value-add through conversion to LiOH

Neometals
Titanium: A growth story for 2016

01 Demonstrated Technical Feasibility

02 Demonstrated Economic Viability

03 Obtain Strong Partners to Commercialise
Thank you

www.neometals.com.au
Mineral Resource Estimate
for the Mt Marion Lithium deposit, as at September 2015, for a block cut-off grade of 0% Li₂O

<table>
<thead>
<tr>
<th>Classification</th>
<th>Deposit</th>
<th>Tonnes (Mt)</th>
<th>Li₂O %</th>
<th>Fe₂O₃ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>Area 1</td>
<td>4.43</td>
<td>1.46</td>
<td>1.32</td>
</tr>
<tr>
<td></td>
<td>Area 2</td>
<td>1.30</td>
<td>1.47</td>
<td>1.60</td>
</tr>
<tr>
<td></td>
<td>Area 2W</td>
<td>3.39</td>
<td>1.48</td>
<td>1.24</td>
</tr>
<tr>
<td></td>
<td>Area 4</td>
<td>0.94</td>
<td>1.25</td>
<td>1.36</td>
</tr>
<tr>
<td>Indicated Total</td>
<td></td>
<td>10.05</td>
<td>1.45</td>
<td>1.33</td>
</tr>
<tr>
<td>Inferred</td>
<td>Area 1</td>
<td>2.16</td>
<td>1.34</td>
<td>1.59</td>
</tr>
<tr>
<td></td>
<td>Area 2</td>
<td>1.01</td>
<td>1.44</td>
<td>1.72</td>
</tr>
<tr>
<td></td>
<td>Area 2W</td>
<td>4.52</td>
<td>1.40</td>
<td>1.13</td>
</tr>
<tr>
<td></td>
<td>Area 4</td>
<td>1.33</td>
<td>1.34</td>
<td>1.33</td>
</tr>
<tr>
<td></td>
<td>Area 5</td>
<td>0.96</td>
<td>1.33</td>
<td>2.44</td>
</tr>
<tr>
<td></td>
<td>Area 6</td>
<td>3.21</td>
<td>1.24</td>
<td>1.69</td>
</tr>
<tr>
<td>Inferred Total</td>
<td></td>
<td>13.19</td>
<td>1.34</td>
<td>1.50</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>23.24</td>
<td>1.39</td>
<td>1.43</td>
</tr>
</tbody>
</table>

NOTE: Figures may not sum due to rounding. Significant figures do not imply an added level of precision.
Mineral Resource Estimate
for the Barrambie Ti-V deposit, as at September 2015, for a block cut-off grade of 15% TiO2

<table>
<thead>
<tr>
<th>Classification</th>
<th>Zone</th>
<th>Oxidation</th>
<th>MTonnes</th>
<th>Density (t/m³)</th>
<th>TiO₂ (%)</th>
<th>V₂O₅ (%)</th>
<th>Fe₂O₃ (%)</th>
<th>Al₂O₃ (%)</th>
<th>SiO₂ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>Eastern</td>
<td>Oxide</td>
<td>18.7</td>
<td>2.82</td>
<td>23.29</td>
<td>0.59</td>
<td>42.93</td>
<td>10.70</td>
<td>16.36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transition</td>
<td>8.7</td>
<td>3.52</td>
<td>23.11</td>
<td>0.61</td>
<td>50.80</td>
<td>7.34</td>
<td>12.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fresh</td>
<td>2.4</td>
<td>3.85</td>
<td>21.77</td>
<td>0.56</td>
<td>52.90</td>
<td>5.99</td>
<td>12.84</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-total</td>
<td>29.8</td>
<td>3.10</td>
<td>23.11</td>
<td>0.60</td>
<td>46.02</td>
<td>9.35</td>
<td>15.10</td>
</tr>
<tr>
<td></td>
<td>Central</td>
<td>Oxide</td>
<td>3.5</td>
<td>2.95</td>
<td>16.84</td>
<td>0.92</td>
<td>49.82</td>
<td>11.06</td>
<td>14.91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transition</td>
<td>1.3</td>
<td>3.50</td>
<td>17.39</td>
<td>0.89</td>
<td>54.76</td>
<td>8.49</td>
<td>12.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fresh</td>
<td>0.1</td>
<td>4.04</td>
<td>15.59</td>
<td>0.88</td>
<td>59.93</td>
<td>7.22</td>
<td>10.96</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-total</td>
<td>4.9</td>
<td>3.12</td>
<td>16.95</td>
<td>0.91</td>
<td>51.40</td>
<td>10.28</td>
<td>14.08</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>34.7</td>
<td>3.11</td>
<td>22.25</td>
<td>0.64</td>
<td>46.77</td>
<td>9.48</td>
<td>14.95</td>
</tr>
<tr>
<td>Inferred</td>
<td>Eastern</td>
<td>Oxide</td>
<td>2.6</td>
<td>2.71</td>
<td>20.88</td>
<td>0.48</td>
<td>40.00</td>
<td>12.20</td>
<td>19.42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transition</td>
<td>3.3</td>
<td>3.29</td>
<td>23.04</td>
<td>0.59</td>
<td>47.51</td>
<td>8.62</td>
<td>14.45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fresh</td>
<td>5.5</td>
<td>3.71</td>
<td>22.82</td>
<td>0.57</td>
<td>47.50</td>
<td>8.39</td>
<td>14.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-total</td>
<td>11.4</td>
<td>3.36</td>
<td>22.44</td>
<td>0.55</td>
<td>45.78</td>
<td>9.33</td>
<td>15.65</td>
</tr>
<tr>
<td></td>
<td>Central</td>
<td>Oxide</td>
<td>0.1</td>
<td>3.07</td>
<td>16.64</td>
<td>0.98</td>
<td>53.63</td>
<td>9.96</td>
<td>13.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transition</td>
<td>0.4</td>
<td>3.47</td>
<td>18.36</td>
<td>0.86</td>
<td>54.15</td>
<td>8.79</td>
<td>12.43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fresh</td>
<td>0.7</td>
<td>3.86</td>
<td>17.30</td>
<td>0.91</td>
<td>53.48</td>
<td>9.44</td>
<td>13.17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-total</td>
<td>1.2</td>
<td>3.64</td>
<td>17.55</td>
<td>0.90</td>
<td>53.71</td>
<td>9.30</td>
<td>12.96</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>12.5</td>
<td>3.38</td>
<td>21.99</td>
<td>0.58</td>
<td>46.51</td>
<td>9.32</td>
<td>15.40</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td></td>
<td>47.2</td>
<td>3.18</td>
<td>22.18</td>
<td>0.63</td>
<td>46.70</td>
<td>9.44</td>
<td>15.07</td>
</tr>
</tbody>
</table>

NOTE: Figures may not sum due to rounding. Significant figures do not imply an added level of precision.