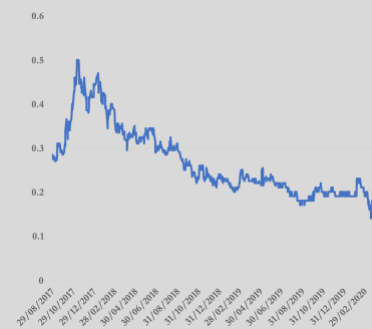


# Neometals Ltd.

## Vanadium Recycling: Playing to Key Strengths

### Neometals Ltd.

Ticker: NMT AU  
 Share Price: A\$0.16  
 Market cap: A\$90.0m  
 Cash: A\$96.5m  
 Investments: A\$9.9m  
 Debt: A\$0m  
 Enterprise Value: -A\$6.5m  
 Shares Outstanding: 543.5m  
 Shares - Fully Diluted: 548.0m  
 Managing Director: Chris Reed



Prices as of the close of business  
 15 April 2020

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Neometals Ltd has recently announced a collaborative agreement with Critical Metals, to evaluate the **recycling of vanadium-bearing steel slags**. The collaboration makes strong strategic sense. Neometals has extensive experience in the metallurgical processing of vanadium-bearing concentrates and Critical Metals has secured a 10-year slag supply agreement from SSAB's steel operations in Sweden and Finland, securing an attractive high-grade feedstock. Slag from SSAB's Lulea operation contains vanadium pentoxide grades of ~ 4.1%, comparing favourably to concentrate grades of competitors.

Deposit	Reserve Grade (V <sub>2</sub> O <sub>5</sub> %)	Vanadium Conc. Grade (V <sub>2</sub> O <sub>5</sub> %)	Conc. Cost (US\$/t)	Operating Cost (US\$/V <sub>2</sub> O <sub>5</sub> )
Australian Vanadium's Australia Project	1.0	1.4	50.1	4.2
Bushveld Minerals' Vametco	0.6	2.0	45.7	4.8
Largo Resources Maracas Menchen Mine	1.2	3.2	60.5	3.1
Steel Slag	Slag Grade (V <sub>2</sub> O <sub>5</sub> %)	Slag Grade (V <sub>2</sub> O <sub>5</sub> %)	Slag Cost US\$/t	Operating Cost (US\$/V <sub>2</sub> O <sub>5</sub> )
SSAB's Lulea slag *	4.1	4.1	V content / price linked	Scoping study in progress

\* Non JORC, based on approximately 30 years of SSAB assay data.

Source: Neometals' ASX release 6 April 2020.

The opportunity to process SSAB's vanadium-bearing slag presented itself following the bankruptcy filing of Ferrovan Oy in April 2019. Ferrovan spent EUR30 million developing plans to recycle the slag using a pyro-metallurgical (smelting) process but were unable to raise the EUR400 million in capex required to build the project. The pyrometallurgical process to extract vanadium from the slag was complicated by high-levels of calcium, which Neometals believes can be overcome using a leaching approach.

Neometals has built-up significant know-how in the metallurgical processing of vanadium-bearing concentrates from its Barrambie VTM project in Western Australia and has developed a **proprietary hydrometallurgical (leaching) process to recover vanadium from steel slag**. Test-work on SSAB slag samples has confirmed up to **80% vanadium leaching recovery under mild conditions**. A key advantage of Neometals' processing route will be the avoidance of traditional large kilns fired by coal or natural-gas, offering significant capex and opex advantages. Neometals / Critical Metals joint evaluation will precede a decision on a 50:50 JV to construct a vanadium recycling facility. This joint evaluation will include engineering and cost studies that run parallel to further test-work using Neometals' existing pilot-plant in W. Australia.

This is a smart, low-risk and potentially high-reward project for Neometals, playing to their core strengths in minerals processing. It will also benefit from the long-term structural theme of sustainability and complements their battery-recycling project. **Despite a recent A\$10.9 million dividend payment, Neometals trades below its cash holding, with the market assigning no value to its significant portfolio of core and non-core projects.**

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