Neometals
All the right elements

QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2019

HIGHLIGHTS

CORPORATE

- Completion of Mt Marion Mine equity divestment to Ganfeng and Mineral Resources. A$103.8 million cash proceeds plus life of mine offtake option agreement for 57,000 tpa of Mt Marion 6% spodumene concentrate;
- Neometals' strategy remains to de-risk and develop projects with strong partners and integrate down the value chain to increase margins and return value to shareholders; and
- Cash $129.6 million, receivables and investments at $10.2 million.

CORE PROJECTS

- Short term project development and near-term budget priorities:
  1. Barrambie Vanadium and Titanium project
  2. Lithium-ion Battery Recycling project
  3. Lithium Refinery project
- Update to Barrambie primary vanadium salt roast leach DFS substantially complete;
- Continued advancement of Barrambie permitting, metallurgical test-work and market development to exploit titanium and iron as well as the vanadium resource;
- Commencement of lithium-ion battery pilot test-work in Lakefield Canada. Stage 1 feed preparation trial successfully commissioned with Stage 2 leaching and refining underway;
- Discussions advancing with potential partners and stakeholders for lithium-ion battery recycling;
- Annual off-take option from Mt Marion provides significant flexibility on development timing for lithium refinery project. The Company is advancing a number of cost improvement initiatives before further evaluation studies; and
- Positive feedback from initial zeolite customer product evaluation. Synthesis of multiple types of zeolite from multiple sources of spodumene leach residue achieved. Pilot plant planned for Q3 2019. Opportunity to integrate with proposed lithium refinery or as stand-alone projects utilising leach residue from spodumene conversion facilities.

LONG TERM PROJECTS

- New pegmatite target areas identified at Mt Edwards and commercial options to realise value for nickel resources being assessed.

ACN 099 116 361
Level 3, 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

COMPANY OVERVIEW

Neometals Ltd ("**Neometals**" - ASX:NMT) is a project developer and supplier of strategic materials, with a specific focus on targeting higher margins from downstream opportunities. The Company has three advanced core projects listed below:

- **Barrambie Titanium and Vanadium Project** - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in the next financial year.

- **Lithium-ion Battery Recycling** – a proprietary process for recovering cobalt, nickel, lithium and other valuable materials from spent lithium batteries. Pilot plant testing currently underway with commercial development decision expected in the next financial year

- **Kalgoorlie Lithium Refinery Project –** Progressing engineering and approvals processes for a lithium refinery development to supply lithium hydroxide to the battery cathode industry, underpinned by a binding life-of-mine annual offtake option for 57,000 tonnes per annum of Mt Marion 6% spodumene concentrate

Neometals' 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.

Figure 1 – *Location map of Neometals' JORC 2012 Mineral Resource Estimates*

Barrambie Vanadium/Titanium Project
(Neometals 100%)

The Barrambie Vanadium and Titanium Project in Western Australia ("**Barrambie**") is one of the world's largest vanadiferous-titanomagnetite ("**VTM**") resources (280.1Mt at 9.18% TiO_2 and 0.44% V_2O_5)*, containing the world's second highest-grade hard rock titanium resource (53.6Mt at 21.17% TiO_2 and 0.63% V_2O_5)* and high-grade vanadium resource (64.9Mt at 0.82% V_2O_5 and 16.9% TiO_2) subsets (based on the latest Neometals 2018 Mineral Resource Estimate (**see Neometals ASX announcement dated 17th April 2018 and Figure 2 below*)).

Barrambie is located approximately 80km Northwest of Sandstone in Western Australia, has a granted mining permit and has been the subject of approximately AUD$30 million in Neometals exploration and evaluation expenditure since 2003.

Global Resource as at 17 April 2018[1]

	Tonnes (M)	TiO_2 (%)	V_2O_5 (%)
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	280.1	9.18	0.44

High Grade V_2O_5 Resource (at 0.5% V_2O_5 cut-off)[2]

	Tonnes (M)	TiO_2 (%)	V_2O_5 (%)
Indicated	49.0	16.93	0.82
Inferred	15.9	16.81	0.81
Total	64.9	16.90	0.82

High TiO_2 Resource (14% V_2O_5 cut-off)[2]

	Tonnes (M)	TiO_2 (%)	V_2O_5 (%)
Indicated	39.3	21.18	0.65
Inferred	14.3	21.15	0.58
Total	53.6	21.17	0.63

Figure 2 – *Barrambie project location map and Mineral Resource Estimate, April 2018*

During the quarter, Neometals advanced its formal update ("**Updated DFS**") to the 2009 Barrambie Vanadium Definitive Feasibility Study ("**DFS**") which considered primary vanadium production from a traditional salt roast-leach operation. The updated DFS will be JORC 2012 compliant based on the latest Neometals 2018 Mineral Resource Estimate (*see Neometals ASX announcement dated 17th April 2018*).

Adaman Resources (Mining), Snowdens (Reserves) and Ausenco (Operating and Capital Costs) have all undertaken extensive work and the Updated DFS nears completion. The Updated DFS will quantify operating costs and capital expenditure and allow a JORC 2012 Reserve to be released. Final numbers will be delivered on each stage of production (Mining, Beneficiation and Vanadium Chemical Plant) to broaden opportunities for staged exploitation of vanadium, titanium and iron products.

In preparation for progressing to a FEED study (subject to Board approval), a program of RC drilling took place at 5 locations within the Barrambie project (generating 20 tonnes of central zone and 20 tonne of eastern zone material). The drilling was undertaken to obtain improved orebody knowledge, provide material for process validation and create opportunity for process improvements. The mineralised samples are currently being assayed and evaluated prior to progressing into a program of mineral processing, a combination of pyrometallurgical treatment and hydrometallurgical processing to produce vanadium, titanium and iron products.

More specifically, the drill program will provide sufficient ore sample to allow for a program of work that covers the entire flow sheet and importantly allows for sequential work on the same material, this program of work will include:

- Preparation of appropriate run-of-mine composite(s) (with due consideration of the mine plan)
- Development and optimisation of a beneficiation flowsheet and preparation of a bulk concentrate(s)
- Small scale optimisation and pilot scale processing of concentrate(s)
- Processing of kiln calcine product through to vanadium pentoxide flake product
- Characterisation and consideration of all waste and emissions (including tailings handling)

Approvals and Permits

The current Barrambie resource is 100% contained on a Mining Licence granted in 1989. In addition, in 2012 Neometals received an environmental approval from the then Environmental Protection Authority to develop an open-cut vanadium mine and processing plant at Barrambie via Ministerial Statement 911 (the "**MS**"). An application (Section 46) was previously made in September 2018 by Neometals to extend the time limit for implementation of the MS. Approval is expected in the June quarter of 2019.

In addition to the MS, for mining to commence in Western Australia a secondary approval titled a Mining Proposal is required. To support an initial 1Mtpa DSO operation, a 1mtpa mining proposal ("**Initial Mining Proposal**") has been submitted. The Mining Proposal cannot be approved until the Section 46 environmental approval extension is approved. Following Initial Mining Proposal approval, Neometals intends to work towards lodgement of a second mining proposal for a ramp up to 3.2Mtpa ("**Second Mining Proposal**").

Tenement Management

In order to ensure adequate water supply for a salt roast leach operation, additional miscellaneous water licences have been applied for to support the existing project bore field. Heritage clearances for this water exploration program are targeted in the near future.

With regards tenement management, additional general public and miscellaneous licences have been applied for to provide an additional footprint for Barrambie waste landforms and processing equipment.

Metallurgical Program

Given the Barrambie mineralisation contains high levels of both vanadium and titanium, Neometals is keenly focused on recovering value from all minerals contained in the deposit. The geometry of the orebody means that if Neometals targets the Central Bands for high grade vanadium first, high grade titanium from the Eastern Band would necessarily be mined from the open pit at the same time and would be stockpiled until processed as a secondary feed for the proposed salt roast leach circuit. Multiple avenues are being investigated to maximise value from the Eastern Band including programs such as the recently completed metallurgical study at the Chinese Academy of Geological Sciences (IMUMR) and research and development into alternative processing flowsheets. Work on alternative hydrometallurgical processing flowsheets continues in Canada and Australia and includes evaluation of both conventional and Neomet acid regeneration processes.

Marketing

Management continue to actively advance discussions with potential partners and offtake parties for supply of ore, concentrates and chemical products.

Market Commentary

Vanadium

About 90% of global vanadium is consumed in the steel industry where it is used primarily in the form of ferro-vanadium. Ferrovanadium is an alloy for high strength steels including those used for gas and oil pipelines, tool steels, jet engines, axles, crankshafts and reinforcing bars for the construction industry. The production of high strength rebar in China accounts for approximately 77% of Chinese vanadium consumption and 38% of vanadium consumption globally.

A policy recently implemented in China will have the effect of significantly increasing global vanadium consumption. This policy requires Chinese steel mills to eliminate the production of '235' and '335' megapascal (**MPa**) tensile strength rebar in favour of higher strength '400', '500' and '600' MPa tensile strength rebar. These higher strength grades have better earthquake resistance and require vanadium concentrations in the steel of 0.03% V, 0.06% V and >0.10% V respectively. In doing so, the policy encourages domestic Chinese mills to utilize greater volumes of alloys including ferro-vanadium and ferro-niobium to meet the revised strength requirements.

This policy, coupled with a higher vanadium intensity of use for the production of harder, stronger, higher quality steels generally, is expected to result in strong vanadium demand growth. According to CRU the forecast compound annual growth rate (**CAGR**) for steel industry vanadium demand over the next decade is 3.3%. This strong growth will result in a significant vanadium supply deficit and will require the development of new primary sources of supply.

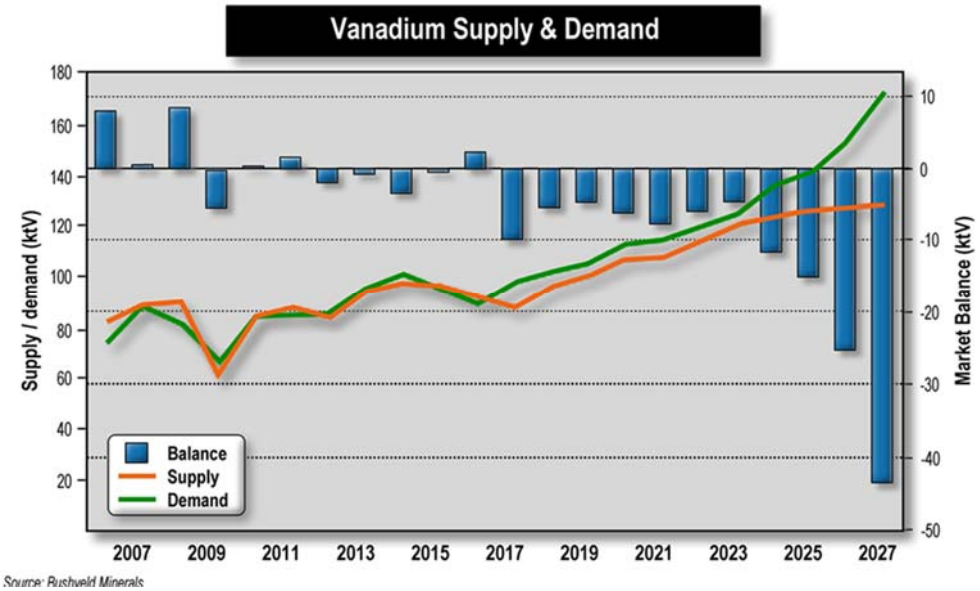

Figure 3 – *Vanadium Supply & Demand. Source: Bushveld Minerals*

Ferro-vanadium prices in the Chinese and European markets hit all-time highs last year due to an anticipated increase in demand arising from the implementation of the amended rebar manufacturing standards in China, which came into effect on November 1. It was expected that vanadium prices would remain at high levels in the 2019 March quarter owing to a supply deficit, however, prices have moved at odds with expectations. Weaker than expected demand in the world's largest market, China, has resulted in prices falling by more than 50% from the levels reached in mid-November 2019 of US$130-140 per kg in China and US$126-128 per kg in Europe.

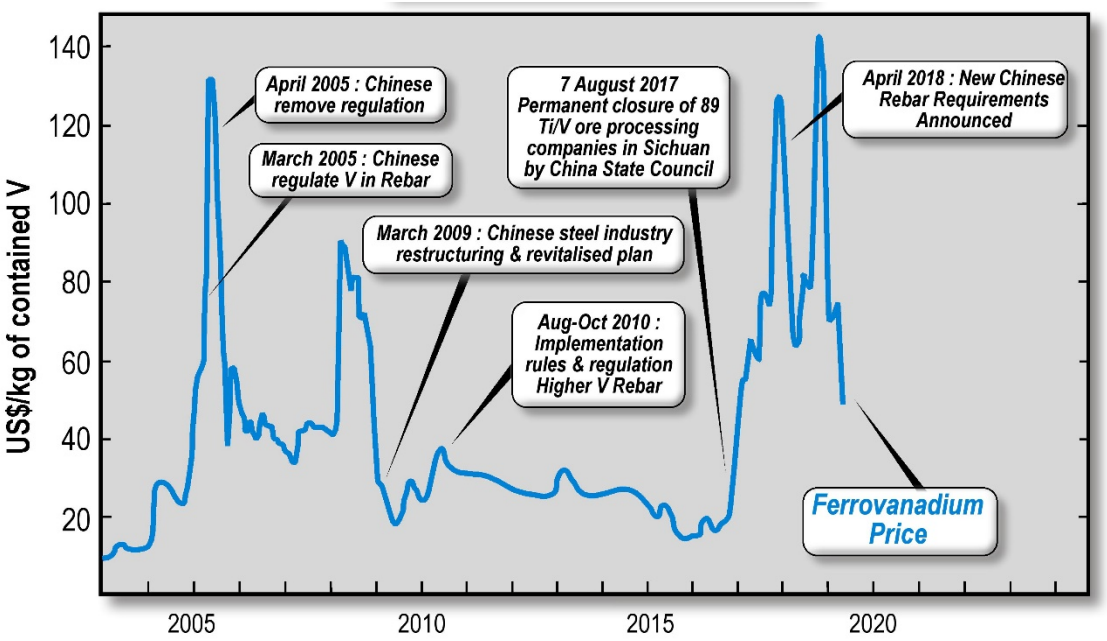

Figure 4 – *Global Vanadium Prices (prices reported weekly) Source: Metal Bulletin, 4 April 2019*

Titanium

The global TiO_2 pigment market accounts for approximately 90% of titanium feedstock demand and is therefore the main driver of demand. Other significant titanium feedstock consumers are the manufacturers of titanium metal and welding electrode fluxes.

TiO_2 prices in Asia and Europe increased during the first quarter of 2019 after drifting lower during the second half of 2018. Prices are expected to remain at current levels or trend upwards during the remainder of year. Fastmarkets assessed the price of TiO_2 pigment, high quality, bulk volume, cfr Asia, at $2,400-2,600 per tonne in late March, up $50 per tonne from the start of the year. In Europe, prices for high grade TiO_2 produced via the chloride route were rising due to brisk demand and the limited availability of higher purity titanium mineral feedstocks required for the chloride-route process.

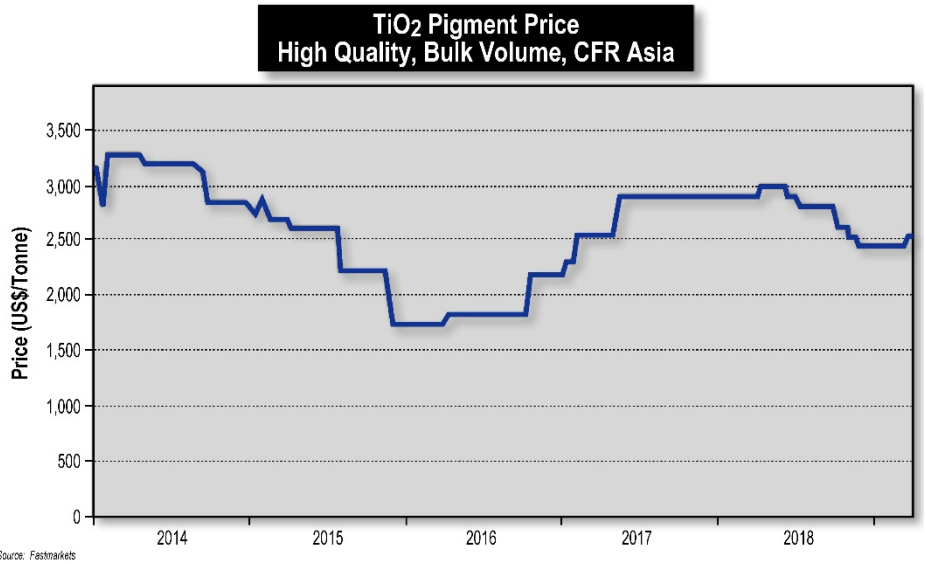

Figure 5 – *TiO2 Pigment Price*

The availability of chloride-route feedstocks including natural rutile and chloride-grade titanium slag was impacted in 2018 by interruptions to supply from the major producers. This has resulted in tightness in the market and higher feedstock prices, especially for rutile. Looking forward, declining high-grade feedstock inventories, maturing ore-bodies and diminishing grades are especially impacting the chloride-route pigment sector at a time when China is expanding its chloride-route pigment production capacity. These changes in the market will require the development of new mines capable of producing chloride-grade feedstocks to support the projected long-term growth in demand.

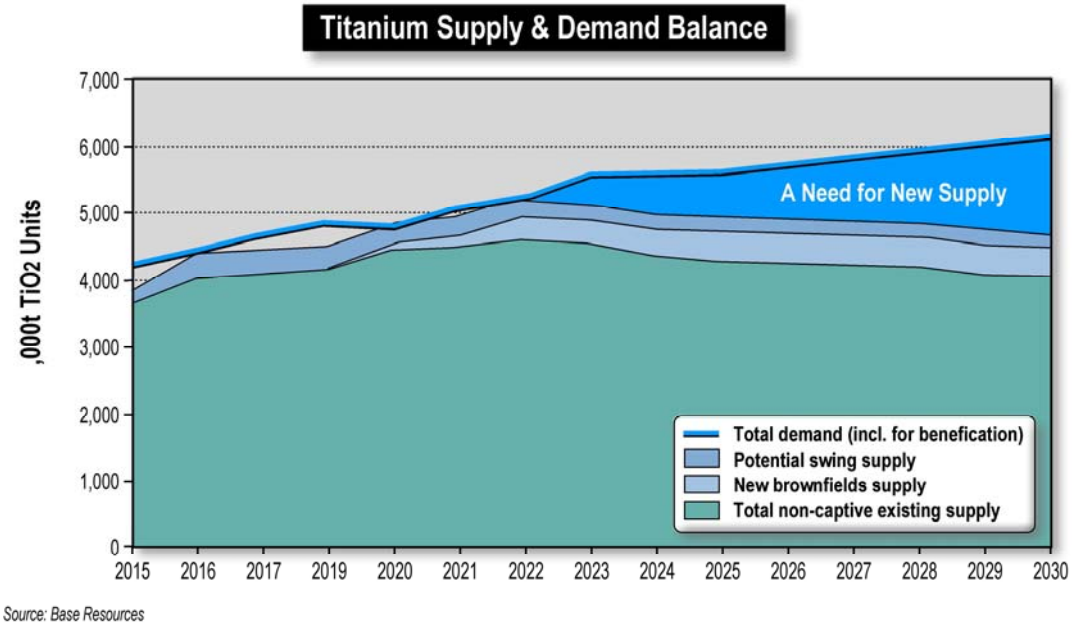

Figure 6 – *Titanium Supply & Demand Balance.*

Lithium Battery Recycling Project
(Neometals 100%)

Neometals has developed a process flowsheet to recover >90% of all battery materials (and to recycle water and minimise plastic and graphite waste) from end-of-life lithium-ion batteries (**LIBs**) that could otherwise be disposed of in land fill or processed in energy-intensive pyrometallurgical recovery circuits. Neometals' process flowsheet targets the recovery of cobalt from consumer electronic batteries (devices with lithium cobalt oxide (**LCO**) cathodes), and cobalt, nickel and lithium from nickel-rich EV and stationary storage battery chemistries (lithium-nickel-manganese-cobalt (**NMC**) cathodes). This flowsheet is now being validated in bench-scale test work and process pilot plant (**Pilot**).

During the quarter, Neometals announced it had commenced commissioning its mixed chemistry LIB recycling pilot in Canada. The Company awarded the contracts to SGS Canada Inc. (**SGS**) to construct and operate the bench-scale and pilot plant at their fully accredited Lakefield facility.

Stage 1 of the Pilot comprises feed preparation and Stage 2 is hydrometallurgical processing and refining of products to deliver high-purity materials for market qualification.

Stage 1 of the Pilot has been successful. The feed preparation circuit shreds batteries, removes casing and plastic materials from the cathode and anode materials. The feed preparation circuit was commissioned and piloted by processing two tonnes of spent LIB feed. Neometals has developed the know-how to safely and efficiently shred spent, but still charged, LIBs at a commercial scale.

The same modular primary shredding system that has been temporarily installed at SGS is capable of operating at commercial scale. In conjunction with Primero Group Pty Ltd (**Primero**) and SGS, the primary shredding system has been incorporated by Neometals into a feed preparation flowsheet that effectively removes the waste plastic wrapping and steel casings whilst upgrading the high value cobalt/nickel/lithium cathode (**Black Powder)** contained within LIBs into a feed material for Stage 2 processing. The Black Powder is a mixture of polymetallic oxide of high value cobalt, nickel and lithium as well as shredded copper and aluminium foil which is suitable for Stage 2 hydrometallurgy recovery and refining.

Figure 7 – *Front end shredding plant at the SGS Lakefield facility*

The remaining programs of Pilot work comprise:

1. Bench validation and optimisation (commenced) of the hydrometallurgical recovery and refining process on the Black Powder generated from Stage 1 feed preparation - including leaching, product recovery and full water recycle; and

2. Construction and operation (commenced) of the pilot-scale hydrometallurgical recovery and refining stage.

A number of subsequent, phased project development studies are planned, including development engineering, a class 5 scoping, a class 3 feasibility and a class 2 front-end engineering (FEED) and design study. The scoping study (in progress) is being managed by Primero and is nearing completion.

Once routine Pilot testing has been completed (due for completion in the September quarter), Neometals aims to use its equipment for specific customer recycling trials and to showcase its technology to potential partners. Neometals is also focused on market development and feed sourcing activities whilst its technical and economic assessment programs are underway.

On completion of the FEED study, Neometals will have a comprehensive understanding of commercial-scale project costs, its feasibility and viability and can consider making a financial investment decision on a commercial plant.

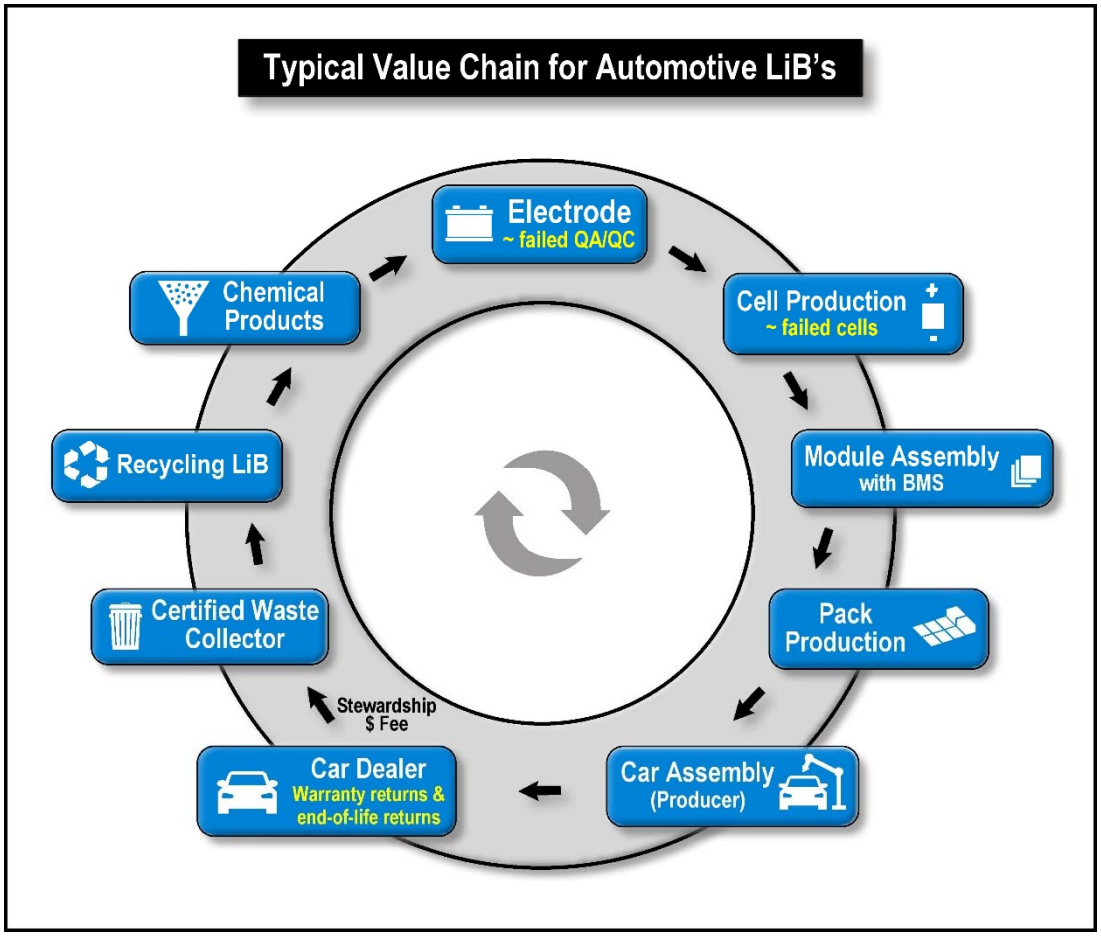

Figure 8 – *Typical value chain for LIBs sourced for the vehicle supply chain and disposed via a recycling service*

Kalgoorlie Lithium Refinery Project
(Neometals 100%)

During the quarter, Neometals continued development of its downstream lithium chemical production strategy. Key activities included:

- Completion of the capital cost estimate component of the FEED Study of the proposed Kalgoorlie Lithium Refinery ("**KLR**"), a peer review of the estimate and initial financial modelling of the project;
- Preparation of the application for Works Approval;
- Working with the City of Kalgoorlie Boulder ("**CKB**"), pursuant to the memorandum of understanding between the parties;
- Formal offtake/partner selection and project funding process with Azure Capital; and
- Initial assessment of the impact of making a zeolite co-product on the economics of the project

The key driver of the KLR Project is to increase the value of future spodumene concentrates purchased under the Company's Mt Marion Spodumene Concentrate Offtake Option ("**Offtake Option**"). The annual Offtake Option provides a fixed volume of up to 57,000tpa of spodumene concentrate for conversion into battery grade lithium hydroxide and lithium carbonate for supply to Lithium Ion Battery ("**LiB**") cathode and cell makers. The KLR is designed to produce lithium hydroxide and lithium carbonate in a plant with capacity of approximately 10,000tpa lithium carbonate equivalent (**LCE**).

M+W delivered the capital cost estimate component of the FEED Study during the March quarter of 2019. Neometals engaged Wood Plc to conduct a high-level peer review of the study to ensure all costs have been accounted for and to benchmark the rates used in the construction estimate. As noted in the ASX Announcement dated 18 March 2019, the capital intensity for the chosen nameplate capacity (10,000tpa lithium hydroxide) located in Kalgoorlie is higher than earlier studies indicated. Wood Plc is conducting a review of the operating cost component of the study which is expected to be complete in the June quarter of 2019.

Based on the Company's assessment of the outlook for lithium market supply and pricing, the market conditions are unlikely to support an investment decision in the immediate future. Discussions with potential project and offtake partners are continuing.

The project will undergo further development that is aimed at improving the project competitive position before completing the final evaluation study to consider an investment decision. Future evaluation studies will require the pilot testing of the calcining and sulphating sections of the process flowsheet on the new fine concentrate product from the new Mt Marion flotation circuit's and may incorporate other cost improvement measures including the production of synthetic zeolite from spodumene leach residue.

Works Approval permit application drafting has been in progress during the quarter, integrating the site noise and emissions data from the FEED Study. The application for Works Approval was essentially completed during the quarter and will be submitted for assessment in the June quarter of 2019.

Figure 9 – *Proposed KLR Layout*

Lithium Market Commentary

Lithium Carbonate

According to Benchmark Mineral Intelligence, international and Chinese domestic lithium carbonate prices have been relatively stable in the March quarter with international prices dipping slightly but maintaining a premium over Chinese domestic prices. The March average CIF Asia price for battery grade lithium carbonate was US$13,250/tonne, with some long-term contracts still sitting above US$14,000/tonne. In China, Ex Works (**EXW**) prices have been trading in the range US$9,900 - 10,650/tonne for technical grade and US$11,400 – US$12,150/tonne for battery grade.

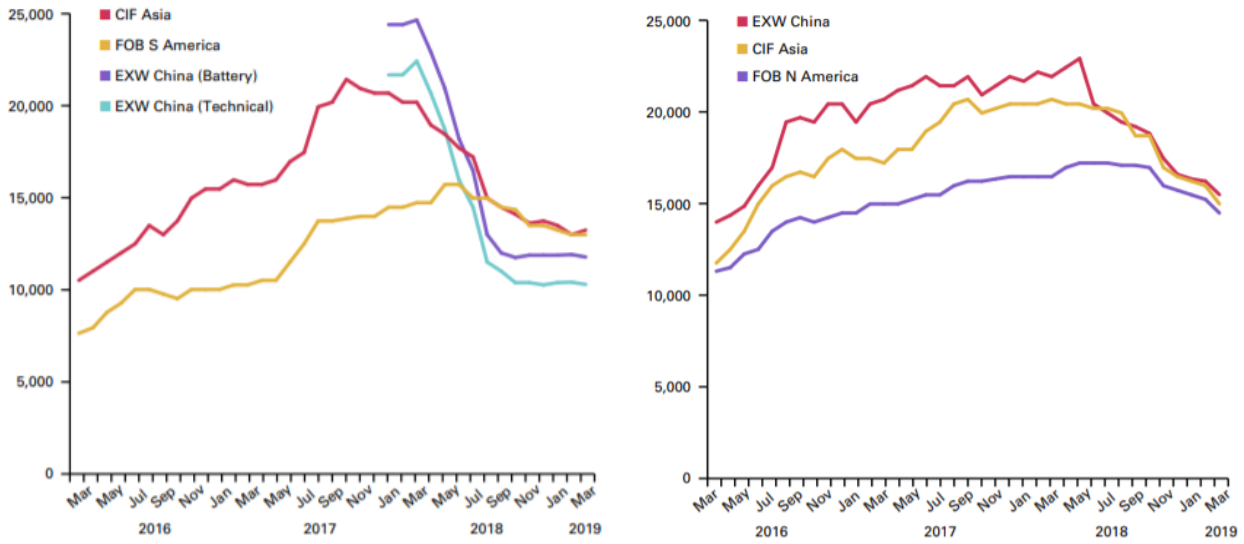

Figure 10 – *Lithium Carbonate Prices (US$/T) (left) and Lithium Hydroxide Prices (US$/T) (right) Mar 2016 – Mar 2019. Source: Benchmark Mineral Intelligence*

Lithium Hydroxide

Lithium hydroxide prices have continued to soften in the March quarter resulting in a further reduction of the price premium above lithium carbonate. In the Japanese and Korean battery markets CIF prices in March were in the range of US$14,000 – US$16,000/tonne, with prices at the lower end of this range now overlapping long-term contract prices for lithium carbonate. According to Benchmark Mineral Intelligence, Chinese domestic prices for lithium hydroxide were in the range US$14,725 – US$16,300/tonne EXW during March, with the average price more than US$1,000/tonne below where it was in December. The sustained pressure on lithium hydroxide prices is being compounded by negative sentiment related to surplus spodumene supplies and the promise of new lithium mineral conversion capacity reaching the market in H2 2019.

Summary

The impact of spodumene oversupply has impacted the lithium chemical market generally. This has been reflected in a skew for the notional lithium carbonate equivalent (**LCE**) demand and supply balance. We have seen chemical prices normalise, China and ex-China prices converge and the medium-term outlook is flat.

Zeolite Research and Development Project
(Neometals 100%)

During the quarter, Neometals advanced the work on its zeolite developments. Neometals previously confirmed its ability to synthesize zeolite from Mt Marion spodumene leach residue (lithium hydroxide processing waste), produced an initial evaluation sample and made process adjustments so the product meets commercial specifications. Neometals has subsequently conducted further testing towards developing two commercial grade zeolite materials (for different applications) and confirmed the process can be used to produce zeolites from leach residue arising from other commercial sources of concentrates. Testing is in progress and the two specifications of zeolite that have been produced to date are being benchmarked against commercially-available zeolites of similar specification.

The initial driver for the development of zeolite from leach residue was to minimise waste generated by the proposed KLR, reduce the associated waste disposal costs and to add co-product revenue to improve the KLR competitive cost position.

Neometals engaged M+W to prepare a preliminary economic assessment study for a zeolite manufacturing facility located adjacent to the KLR. Neometals subsequently engaged Queensland University of Technology to perform further bench-scale process testing and validation and pilot testing. The pilot plant will also generate customer evaluation samples of the zeolite products. A detailed engineering cost study and product evaluation will follow the pilot testing.

Zeolite materials are produced as both naturally occurring and synthetic materials. Synthetic zeolites such as the specifications now produced by Neometals at bench-scale, are typically used in more demanding industrial applications such as molecular sieves for air and hydrocarbon purification. According to Markets and Markets (2017), the global zeolite market was approximately 2.4Mtpa with a total estimated value in excess of US$13B per annum.

LONG TERM PROJECTS

Mt Edwards Lithium and Nickel Project
(Neometals 100% through Mt Edwards Lithium Pty Ltd)

Mt Edwards is located 40km south of Mt Marion and 35km west of Kambalda in Western Australia. The Mt Edwards tenements cover an area of 240 square kilometres in a historic nickel sulphide belt, within what is emerging as a highly endowed and globally significant lithium province.

Exploration at Mt Edwards continues to target fertile Lithium-Caesium-Tantalum ("**LCT**") pegmatites. During the quarter, geochemical analysis of soil samples identified target areas with anomalous results which are being further examined with mapping, closer spaced sampling and low impact drilling is scheduled.

The company is assessing options to realise value for the nickel sulphide mineralisation at Mt Edwards, with 123,000 tonnes of contained nickel estimated across ten mineral resources[1]. A thorough review of geochemical and geophysical datasets is underway, and the drill databases are undergoing audit and updating ahead of a nickel targeting study.

In January a 240m reverse circulation hole was drilled on M15/96 targeting a geophysical anomaly. A discrete sulphide rich layer was intercepted at 175m depth, at the contact of ultramafic and basalt units. While not anomalous in nickel grades, the sulphide zone aligns well with the targeted geophysical conductor. The drill-hole has been cased in preparation for downhole geophysics, and further planned drilling to test other conductors. The ultramafic–basalt contact will also be cased for future downhole geophysics.

An extension of term for two years was granted to E15/989, located along strike from the Mincor Resources NL (**Mincor**) Cassini Nickel Mineral Resource (**Cassini**) located at the southern end of the Mt Edwards project. Neometals notes Mincor's strategy to fast track the development of Cassini and bring it into operation rapidly[2].

Neometals continues to work cooperatively with Mincor with several shared mineral rights and access agreements in place. A drill and sample program is planned to test for strike extension of nickel sulphide from Cassini onto E15/989 an exploration licence owned by Mincor with Neometals holding the nickel minerals rights.

1. Refer to ASX release 25 June 2018, "Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes".
2. Refer to Mincor Resources ASX release 19 February 2019, "Investor Presentation (by David Southam)"

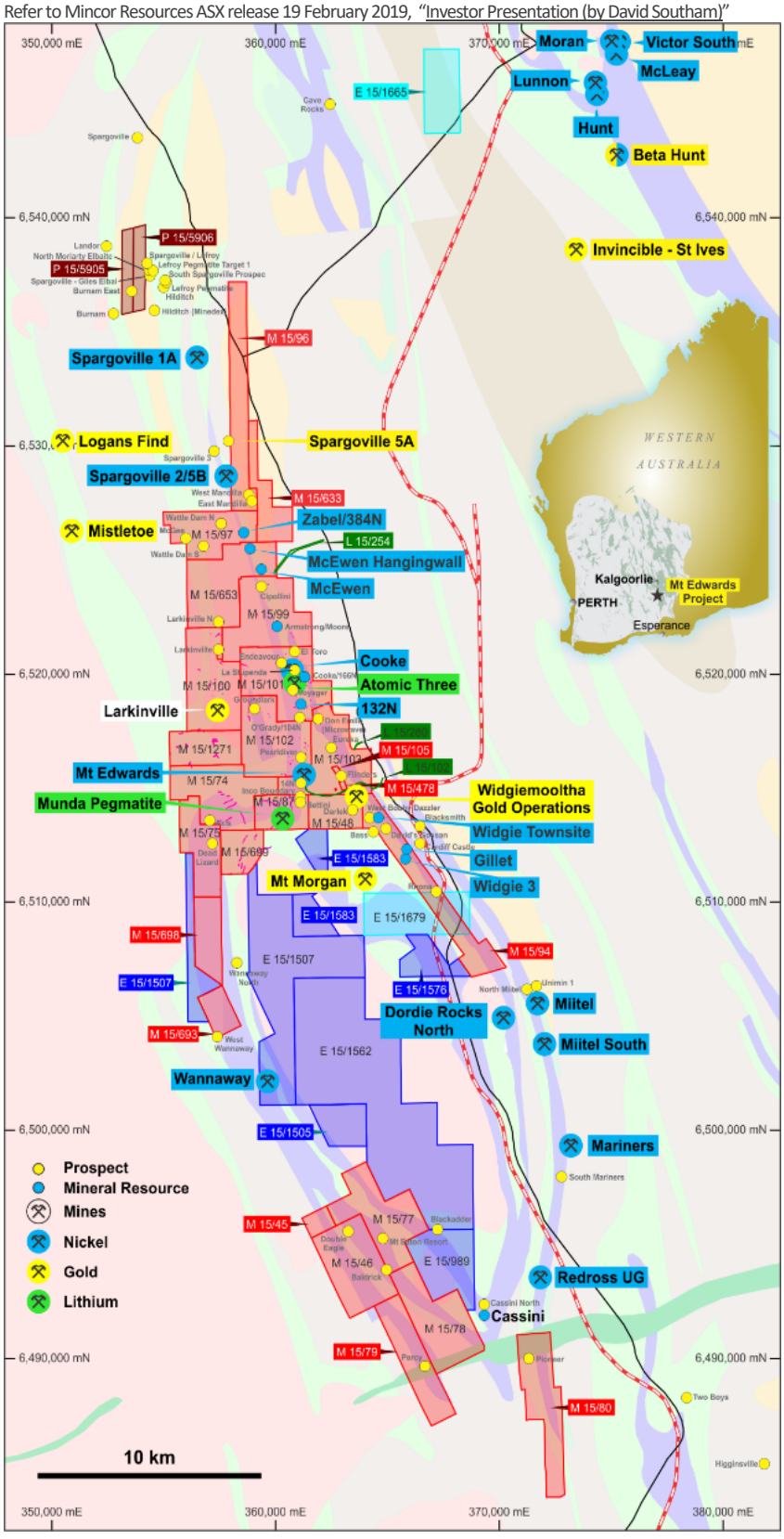

Figure 11 – *Mt Edwards Project tenure.*

CORPORATE

Mt Marion Lithium Mine

During the quarter, Neometals completed the sale of its remaining equity interest in Mt Marion to its co-shareholders for A$103.8 million cash. The transaction included a binding life of mine offtake option agreement for 57,000 tpa of Mt Marion 6% spodumene concentrate production at market-linked prices.

Financial

Hannans Limited (ASX:HNR) (Hannans) (Yilgarn Nickel/Lithium/Gold)

As at 31 March 2019 Neometals holds 706,209,483 ordinary fully paid shares (36% of the issued capital) in Hannans on an undiluted basis. At 31 March 2019, Hannans' shares closed at 1.2c implying a value of $8.47M.

Critical Metals Limited (Unlisted, Scandinavian Lithium/Cobalt/Base Metals)

Neometals holds 13.5% of unlisted public company Critical Metals Ltd, a company which now houses the Scandinavian mineral assets previously held by Hannans. Neometals will assist Critical Metals to realise lithium, cobalt and carbon opportunities in Scandinavia through a technical assistance arrangement.

Other Investments

The market value of the Company's other investments as at 31 March 2019 totaled $1.1M.

Finances (unaudited)

Cash and term deposits on hand as of 31 March 2019 totalled A$129.6 million, including $4.0 million in restricted use term deposits supporting performance bonds and other contractual obligations. The Company's has net receivables and listed securities totalling approximately $10.2 million.

Issued Capital

During the quarter 1,096,599 Employee Performance Rights lapsed following re-testing at 31 December 2018 under the Company's Performance Rights Plan (**PRP**) and the Company granted a total of 356,797 new Performance Rights to management personnel pursuant to annual invitations made in accordance with the terms of their employment contractors and the Company's PRP.

In addition, the Company also issued 27,048 fully paid ordinary shares following the vesting and exercise of performance rights held by a Non-Executive Director.

The total number of shares on issue at 31 March 2019 was 543,974,269.

ENDS

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

Compliance Statement

The information in this report that relates to Mineral Resource Estimates for the Barrambie Titanium Project and Mt Edwards Project are extracted from the ASX Announcements:

17/04/2018	Updated Barrambie Mineral Resource Estimate
25/06/2018	Mt Edwards Project Mineral Resource Over 120,000 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 form the original market announcements.

About Neometals Ltd

Li + Ti = Nm

Neometals Ltd ("Neometals" - ASX:NMT) is a project developer and supplier of strategic materials, with a specific focus on targeting higher margins from downstream opportunities. The Company has three core projects:

- **Barrambie Titanium and Vanadium Project** - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in mid-2019
- **Lithium-ion Battery Recycling** – a proprietary process for recovering cobalt and other valuable materials from spent lithium batteries. Pilot plant testing currently underway with commercial development decision expected by December 2019
- **Kalgoorlie Lithium Refinery Project** – Progressing plans for a lithium refinery development to supply lithium hydroxide to the battery cathode industry, underpinned by a binding life-of-mine annual offtake option for 57,000 tonnes per annum of Mt Marion 6% spodumene concentrate

Neometals' 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.

APPENDIX: TENEMENT INTERESTS

As at 31 March 2019 the Company has an interest in the following projects and tenements in Western Australia.

PROJECT NAME	LICENCE NAME	BENEFICIAL INTEREST	STATUS
Barrambie	E57/769	100%	Live
Barrambie	E57/770	100%	Live
Barrambie	E57/1041	100%	Live
Barrambie	L57/30	100%	Live
Barrambie	L20/55	100%	Live
Barrambie	M57/173	100%	Live
Barrambie	L20/80	100%	Pending
Barrambie	G57/11	100%	Pending
Barrambie	L20/81	100%	Pending
Barrambie	E57/1124	100%	Pending
Mt Edwards	M15/45	100% (^)	Live
Mt Edwards	M15/46	100% (^)	Live
Mt Edwards	M15/48	100% (^)	Live
Mt Edwards	M15/74	100%	Live
Mt Edwards	M15/75	100%	Live
Mt Edwards	M15/87	100% (**)	Live
Mt Edwards	M15/77	100% (^)	Live
Mt Edwards	M15/78	100% (^)	Live
Mt Edwards	M15/79	100% (^)	Live
Mt Edwards	M15/80	100% (^)	Live
Mt Edwards	M15/94	100% (^)	Live
Mt Edwards	M15/96	100% (#)	Live
Mt Edwards	M15/97	100% (#)	Live
Mt Edwards	M15/99	100% (#)	Live
Mt Edwards	M15/100	100% (#)	Live
Mt Edwards	M15/101	100% (#)	Live
Mt Edwards	M15/102	100% (#)	Live
Mt Edwards	M15/103	100% (^)	Live
Mt Edwards	M15/105	100% (^)	Live
Mt Edwards	L15/102	100%	Live
Mt Edwards	M15/478	100% (^)	Live
Mt Edwards	M15/633	100% (^)	Live

Mt Edwards	M15/653	100% (#)	Live
Mt Edwards	M15/693	100% (^)	Live
Mt Edwards	M15/698	100%	Live
Mt Edwards	M15/699	100%	Live
Mt Edwards	M15/1271	100% (#)	Live
Mt Edwards	L15/254	100%	Live
Mt Edwards	E15/989	100% (^)	Live
Mt Edwards	L15/280	100%	Live
Mt Edwards	P15/5905	100%	Live
Mt Edwards	P15/5906	100%	Live
Mt Edwards	E15/1505	100%	Live
Mt Edwards	E15/1507	100%	Live
Mt Edwards	E77/2397	100%	Pending
Mt Edwards	E15/1562	100%	Pending
Mt Edwards	E15/1576	100%	Live
Mt Edwards	E15/1583	100%	Live
Mt Edwards	E77/2427	100%	Pending
Mt Edwards	E15/1679	100%	Pending
Mt Edwards	P15/6362	100%	Pending
Mt Edwards	P15/6387	100%	Pending

^Nickel rights only

**Lithium rights only

No gold interest

Changes in interests in mining tenements

Interests in mining tenements acquired or increased

PROJECT NAME	LICENCE NAME	ACQUIRED OR INCREASED
Mt Edwards	E15/1507	Granted
Mt Edwards	P15/6387	Application
Barrambie	E57/1124	Application
Barrambie	L20/0081	Application

Interests in mining tenements relinquished, reduced or lapsed

PROJECT NAME	LICENCE NAME	RELINQUISHED, REDUCED OR LAPSED
Mount Marion	L15/315	sold 13.8% interest*
Mount Marion	L15/316	sold 13.8% interest*
Mount Marion	L15/317	sold 13.8% interest*
Mount Marion	L15/321	sold 13.8% interest*
Mount Marion	L15/220	sold 13.8% interest*
Mount Marion	L15/360	sold 13.8% interest*
Mount Marion	M15/999	sold 13.8% interest*
Mount Marion	M15/1000	sold 13.8% interest*
Mount Marion	M15/717	sold 13.8% interest*
Mount Marion	L15/353	sold 13.8% interest*
Mount Marion	E15/1599	sold 13.8% interest*

* - registered holder is Reed Industrial Minerals Pty Ltd (Neometals Ltd transferred its 13.8% interest during the quarter to Mineral Resources Ltd & Ganfeng Lithium Co. Ltd who now each hold 50% of Reed Industrial Minerals Pty Ltd).