



31 July 2020



Neometals
All the right elements

QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 June 2020

HIGHLIGHTS

CORPORATE

- Continued focus on sustainable opportunities linked to electric vehicle (EV) and energy storage (ESS) thematics;
- Pivot towards circular materials recovery and recycling strengthened by collaboration agreement with Critical Metals Ltd (NMT 15.4%) to evaluate the recovery of vanadium from high-grade by-products of leading Scandinavian steel producer, SSAB; and
- Cash A\$81.3 million, receivables and investments of A\$6.3 million and no debt.

CORE DEVELOPMENT ACTIVITIES

Lithium-ion Battery ("LIB") Recycling Project

- Successful completion of the Neometals LIB recycling pilot with all proof-of-scale objectives met and technical risk significantly reduced; and
- Extensive due diligence on pilot outcomes successfully completed by SMS group, both parties now finalising definitive transaction documents for incorporated JV to accelerate commercialisation of Neometals' innovative solution for processing scrap and end of life LIBs.

Vanadium Recovery Project

- Successful completion of Scoping Study which indicated potential for lowest quartile cash cost operation to recover vanadium chemicals from SSAB steel making by-products; and
- Completed metallurgical drilling program on stockpiles at Lulea and commenced metallurgical test work phase of the Pre-Feasibility Study in Perth.

Lithium Refinery Project

- Commenced a jointly funded Feasibility study for proposed Indian lithium refinery JV. Work included plant vendor test-work, engineering layouts, site location study and completion of process design package; and
- Indian Government advancing its "Made in India" initiative to foster domestic production of lithium-ion batteries (including lithium and cathode chemicals) and relieve its complete reliance on Chinese imports to achieve its goal of all car sales being EV's in 2030.

Barrambie Titanium and Vanadium Project

- Neometals is narrowing its evaluation focus to a capital-light concentrate feedstock operation, encouraged by positive feedback from Chinese MOU partner (IMUMR) and third-party titanium producers on ilmenite concentrates generated from low-temperature roasting of gravity concentrates from Pilot-scale trials.

EXPLORATION ACTIVITIES

- Expansion of nickel Mineral Resources at Gillett and Armstrong deposits within the Mt Edwards Project; and
- Completion of a Moving Loop Electromagnetic (MLEM) geophysical survey along the Cassini-Wannaway trend and preparation for drilling geophysical and geochemical anomalies, including Exploration License E15/1553 located less than 2 kilometres directly north and along strike from the Mincor Resources NL's Cassini Deposit.

COMPANY OVERVIEW

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 four core projects with strong partners that span the battery value chain:

Recycling and Resource Recovery

- Lithium-ion Battery Recycling – a proprietary process for recovering cobalt and other valuable materials from spent and scrap lithium batteries. Pilot plant testing completed with plans well advanced to conduct demonstration scale trials with potential 50:50 JV partner SMS group. Working towards a development decision in 2021; and
- Vanadium Recovery – a 27-month option to evaluate establishing a 50:50 joint venture to recover vanadium from processing by-products (“Slag”) from leading Scandinavian steel maker SSAB. Underpinned by a 10-year Slag supply agreement, a decision to develop sustainable European production of high-purity vanadium pentoxide is targeted for December 2022.

Downstream Advanced Materials

- Lithium Refinery Project – evaluating the development of India’s first lithium refinery to supply the battery cathode industry with potential 50:50 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. Working towards a development decision in 2023.

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 for a staged operation in mid-2021.

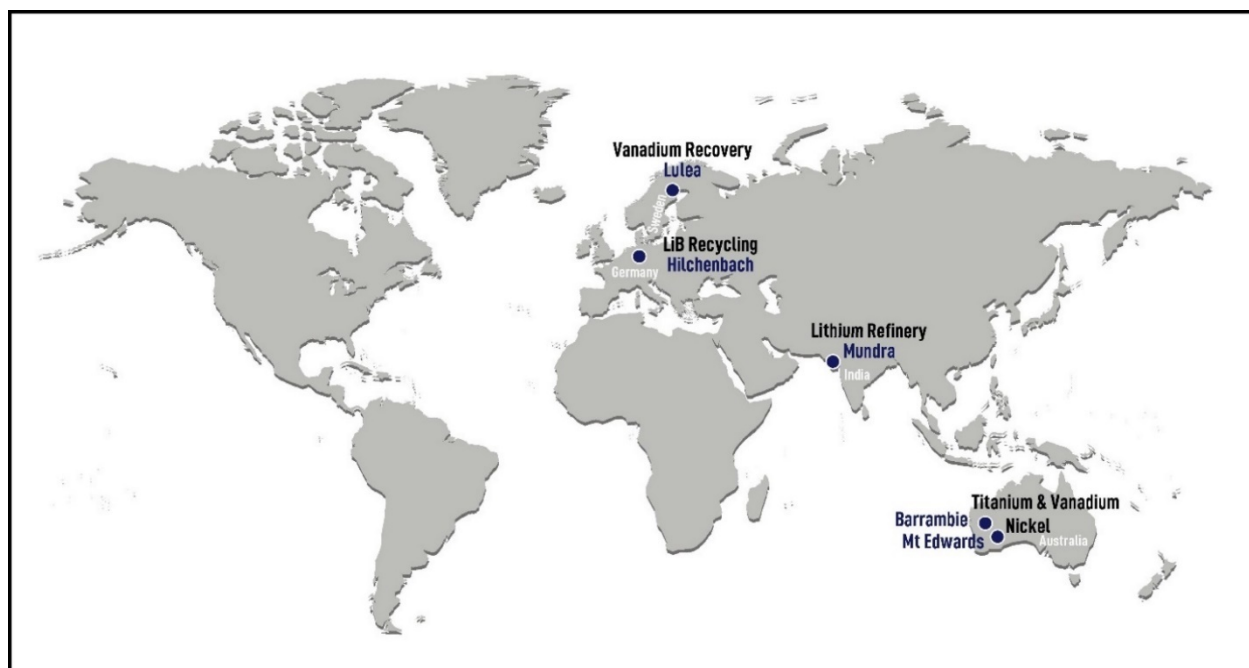


Figure 1 – Location map of Neometals Projects

CORE PROJECTS

Lithium Battery Recycling Project (Neometals 100%)

Neometals has developed a sustainable process flowsheet targeting the recovery of battery materials contained in production scrap and end-of-life lithium-ion batteries (LIBs) that might otherwise be disposed of in land fill or processed in high-emission pyrometallurgical recovery circuits. Neometals' process flowsheet targets the recovery of valuable materials from consumer electronic batteries (devices with lithium cobalt oxide (LCO) cathodes), and nickel-rich EV and stationary storage battery chemistries (lithium-nickel-manganese-cobalt (NMC) cathodes). The flowsheet is designed to recover cobalt, nickel, lithium, copper, iron, aluminium and manganese into saleable products with demonstration scale trials are targeted at showcase facilities in Europe commencing in 2021.

A 2019 scoping study, based on previous bench scale test-work, highlighted robust economics. Data from the recently concluded pilot trial will feed next stage engineering and feasibility studies.

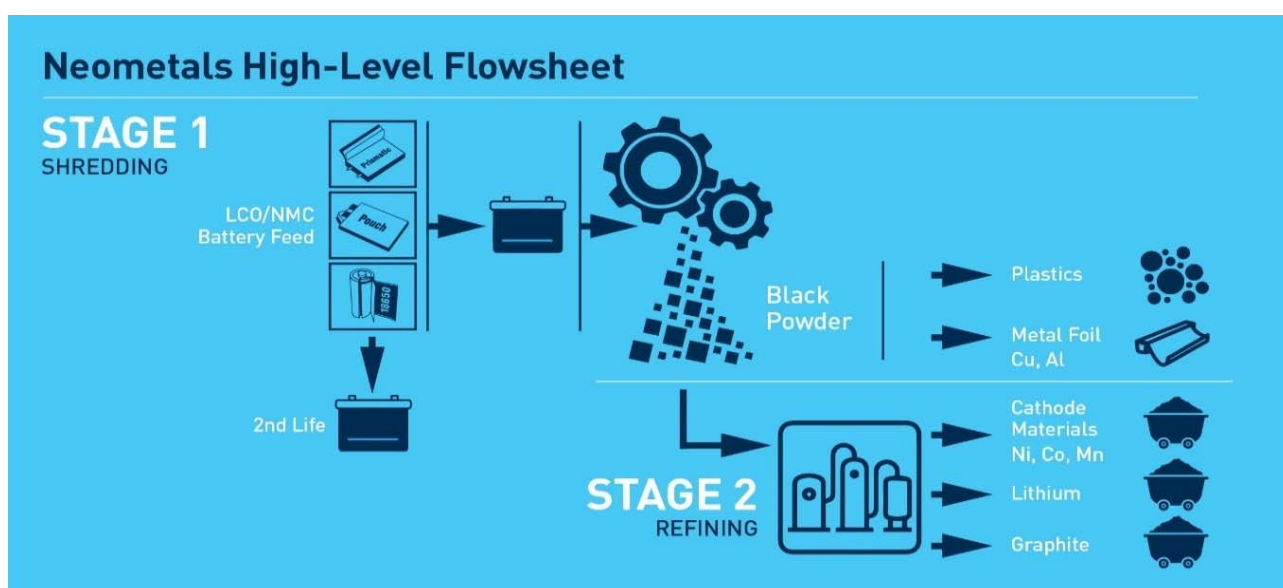


Figure 2 - High level flowsheet showing the materials generated from Feed Preparation and Hydrometallurgical Processing stages

The recycling flowsheet, comprises two stages:

1. Shredding and beneficiation to remove metal casings, electrode foils and plastics (“**Feed Preparation**”); and
2. Leaching, purification and precipitation to deliver chemical products via the hydrometallurgical processing facility (“**Hydrometallurgical Processing**”).

Pilot Plant

During the quarter, Neometals announced successful completion of its lithium-ion battery recycling pilot in Canada (“**Pilot**”). The Pilot validated earlier bench scale assumptions with high recoveries of a targeted suite of cathode active elements that were refined into high purity chemicals for re-use in the battery supply chain.

The Pilot, undertaken by SGS Canada Inc., represents part of the pre-development activities for a proposed commercial LIB recycling venture to recover LIB materials from electric vehicle and consumer electronics batteries. Neometals successfully shredded and processed 2.3 tonnes of spent commercial LIBs during the ‘Feed Preparation’ stage of the Pilot. A total of 980 kg of shredded and upgraded cathode and anode material (“**Black Mass**”) was fed into the subsequent ‘Hydrometallurgical Processing’ stage from which cathode materials have been recovered and refined into high-purity chemical products.

Successful completion of the Pilot, which commenced in February 2019, represented a significant commercial milestone for the Neometals recycling technology. Objectives were met and surpassed, no fatal technical flaws arose, and the Company now has the data to commence feasibility-level studies ahead of demonstration trials in Europe (“**Demonstration Trial**”). With the Pilot significantly reducing the technical risk of commercialising its proprietary process, Neometals can proceed confidently towards the SMS group commercialisation JV and advance feed supply and product offtake activities (see *SMS MOU section below for further information*).

MOU with SMS

To accelerate commercial development of the recycling project, Neometals announced during the December 2019 quarter that it had entered a binding memorandum of understanding (“**MOU**”) with leading global processing plant manufacturer SMS group (“**SMS**”). SMS has successfully concluded its due diligence to evaluate the results of the Neometals Pilot. The parties have spent the latter part of the quarter finalising the definitive transaction documents for the formation of a 50:50 joint venture (“**JV**”), to design and construct a demonstration plant at an SMS site in Germany. A Class 3 Engineering Cost Study will be completed concurrently and a final JV investment decision (“**FID**”) will follow feasibility evaluation to consider construction of the first commercial-scale operation.

A positive FID would involve Neometals contributing technical and commercial know how to the JV and SMS contributing to the engineering design, fabrication, operation and maintenance of future recycling plants. SMS would also, on a best endeavours basis, procure debt financing for no less than 50% of the capital expenditure required.

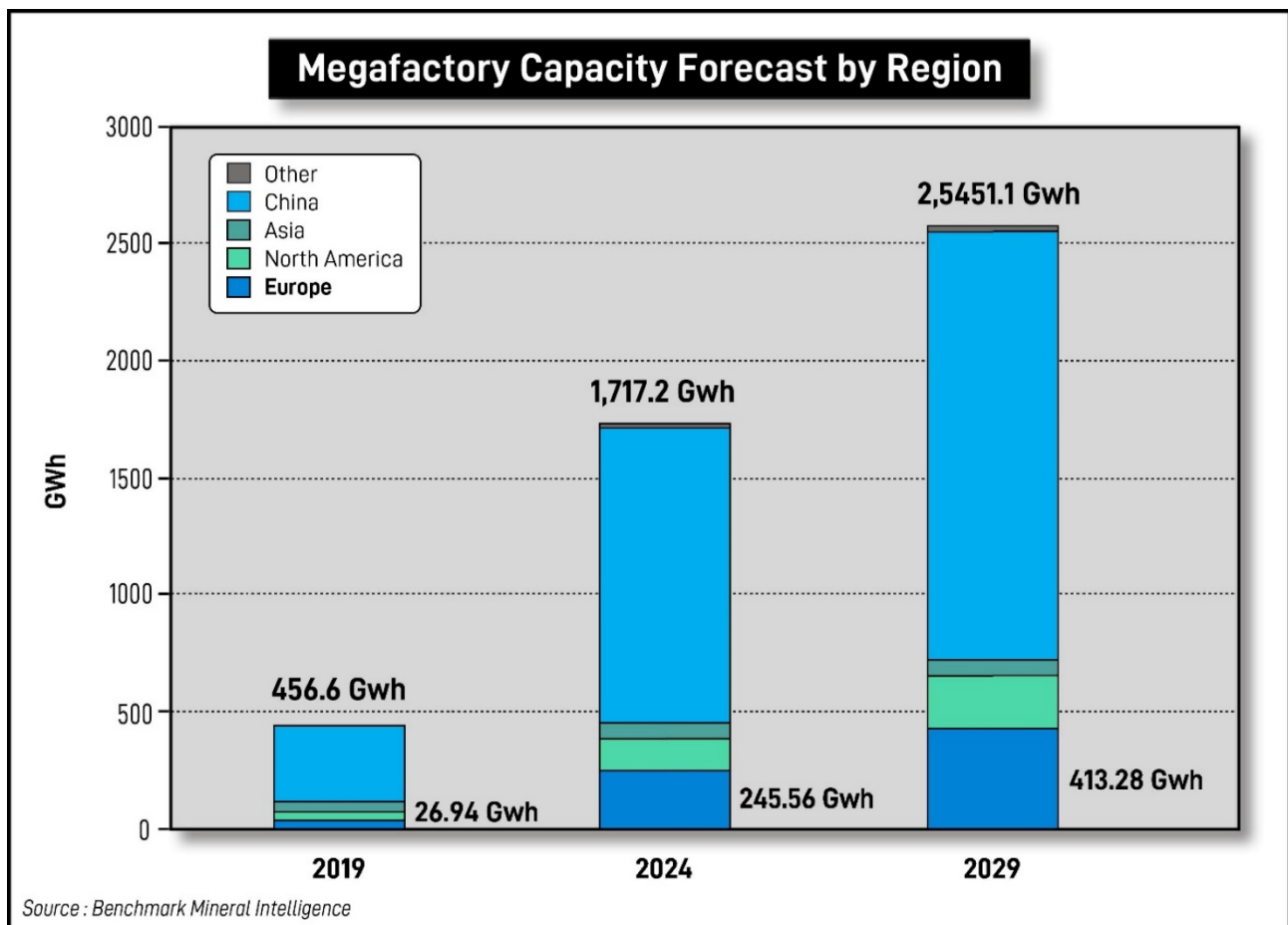


Figure 3 – Developments in Global and European cell production capacity

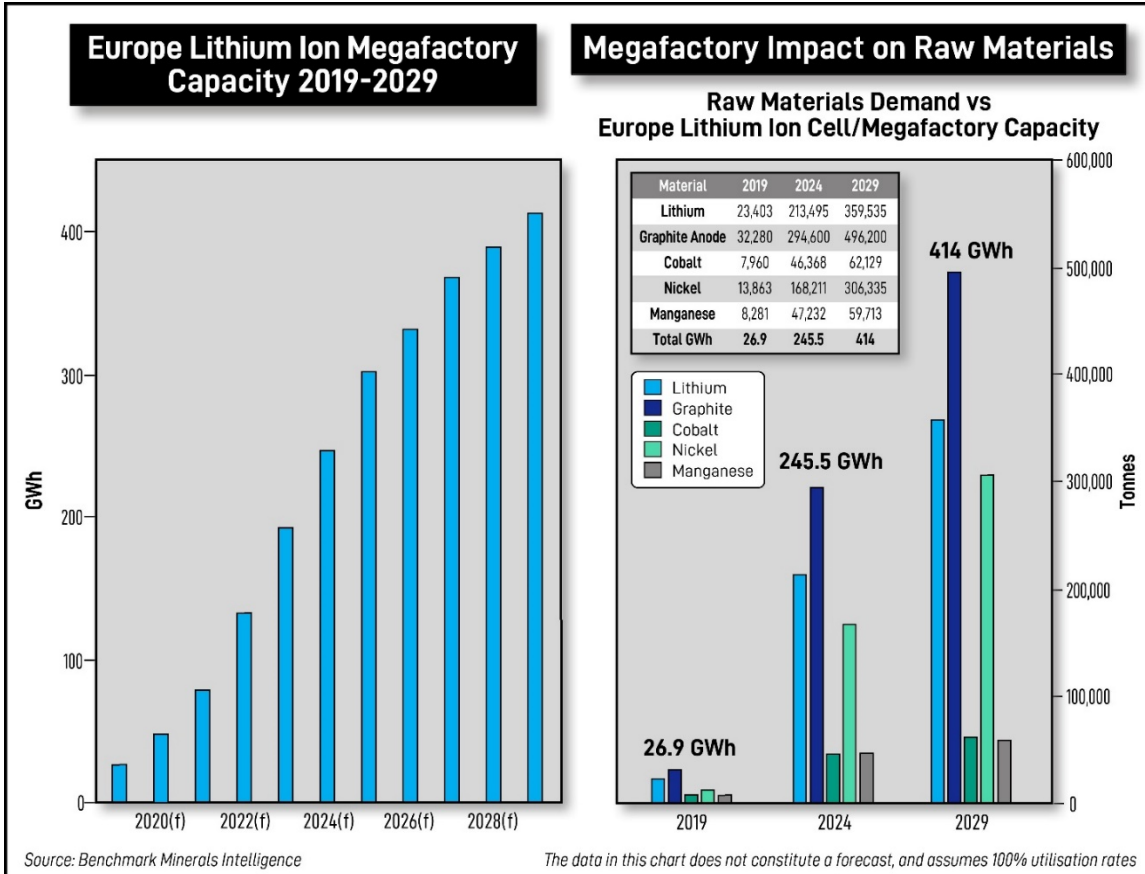


Figure 4 – Image showing the impact of EU cell production on requirements for battery material demand

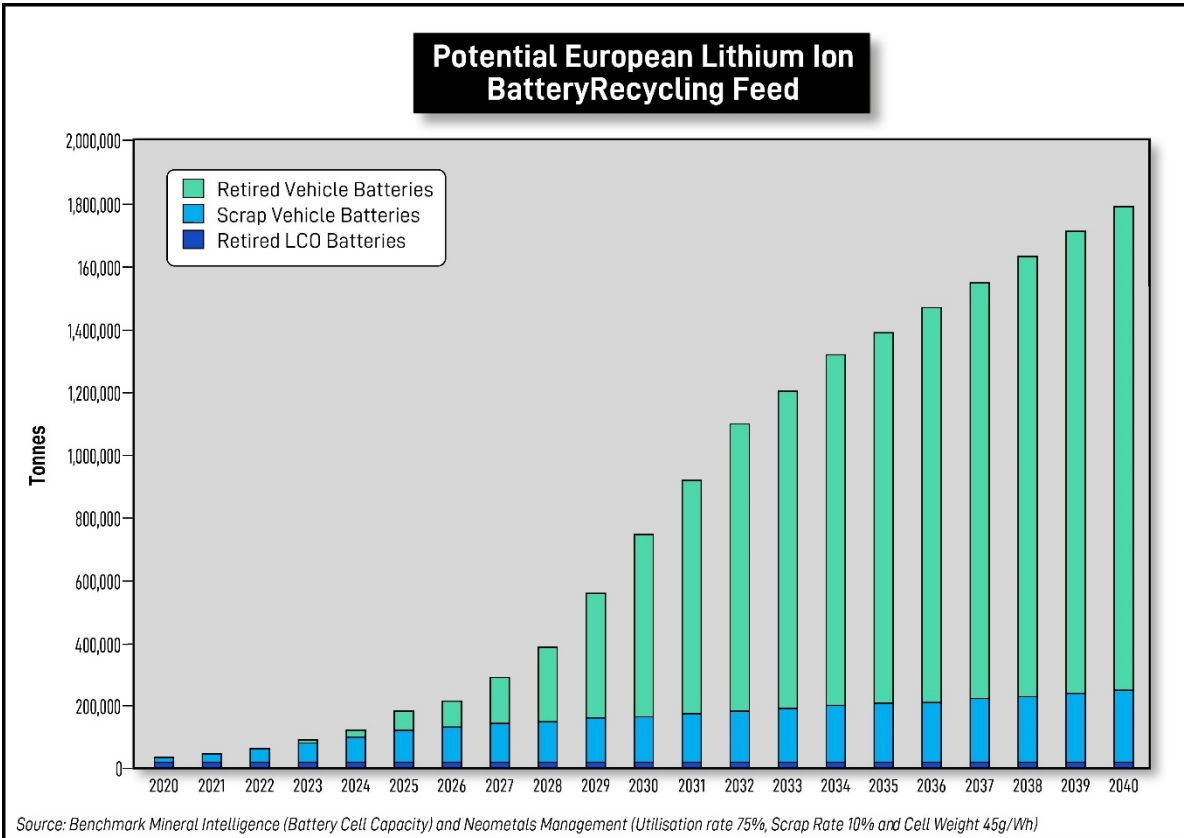


Figure 5 – Image showing the potential volumes of scrap and end-of-life batteries assuming a 10-year effective life

Vanadium Recovery Project **(Option towards 50:50 Joint Venture)**

Recycling Agreement

During the quarter, Neometals announced execution of a collaboration agreement with unlisted Scandinavian-focused explorer, Critical Metals Ltd (“**Critical**”), to jointly evaluate the feasibility of recovering high-purity vanadium products from high-grade vanadium-bearing steel by-product (“**Slag**”) in Scandinavia (*for full details refer to ASX announcement entitled “High-Grade Vanadium Recycling Agreement” released on 6 April 2020*). The collaboration contemplates Neometals funding and managing the evaluation activities, up to consideration of an investment decision. A positive investment decision will lead to a 50:50 incorporated joint venture (“**JV**”). Neometals is Critical’s largest shareholder and holds 15.4% of its issued capital.

Critical has executed a conditional agreement (“**Slag Supply Agreement**”) with SSAB EMEA AB and SSAB Europe Oy, subsidiaries of SSAB (“**SSAB**”), a steel producer that operates steel mills in Scandinavia. Slag is a by-product of SSAB’s steel making operations. The Slag Supply Agreement provides a secure basis for the evaluation of an operation capable of processing 200,000 tonnes of Slag per annum without the need to build a mine and concentrator like existing primary producers.

Neometals has extensive experience in the metallurgical processing of vanadium bearing concentrates from its Barrambie Titanium-Vanadium project and has, through a wholly owned subsidiary Avanti Materials Ltd (“**Avanti**”), developed a proprietary hydrometallurgical flowsheet suitable for recovering Vanadium from the Slag. The flowsheet utilises conventional equipment and is subject to provisional patent applications, tailored to recover high-purity vanadium chemicals from Slag. Extensive due-diligence test-work completed by Neometals’ chosen metallurgical contractor in Perth on multiple SSAB Slag samples has confirmed excellent recoveries from leaching under mild conditions at atmospheric pressure.

The hydrometallurgical leaching process path has significant operational, cost and risk advantages over the traditional pyro/hydro-metallurgical (salt-roast) process route.

The collaboration agreement is significant as it creates an option to secure critical materials without mining and processing risk and the opportunity to produce high grade vanadium products with lowest quartile costs owing to the grade of vanadium sitting above surface in stockpiles.

One of Neometals’ key strategies relates to identification and disciplined evaluation of mineral and materials projects that have direct exposure to the energy storage and electric vehicle mega-trend. As it relates to energy storage, vanadium solutions are the storage medium in the Vanadium Redox Flow batteries (“**VRFB’s**”) which are a leading stationary storage technology. Approximately 75% of global vanadium supply is produced in China and Russia, and there exists a significant opportunity to supply the European and American markets from recycling SSAB’s Scandinavian feedstocks.

Evaluation

During the quarter Neometals completed a scoping study which highlights a strong case for future development of a processing operation to recover vanadium chemicals from steel making by-products. The scoping indicated potential lowest quartile cash costs. Accordingly Neometals has proceeded to the next stage of evaluation studies, comprising completion of continuous mini-pilot scale metallurgical test-work to provide process data for a Class 4 American Association of Cost Engineering (“**AACE**”) engineering cost study culminating in a Preliminary Feasibility Study (“**PFS**”). Neometals has completed the metallurgical drilling program on the SSAB Lulea stockpiles.

Critical will advance site selection studies, approvals and managing the SSAB relationship.

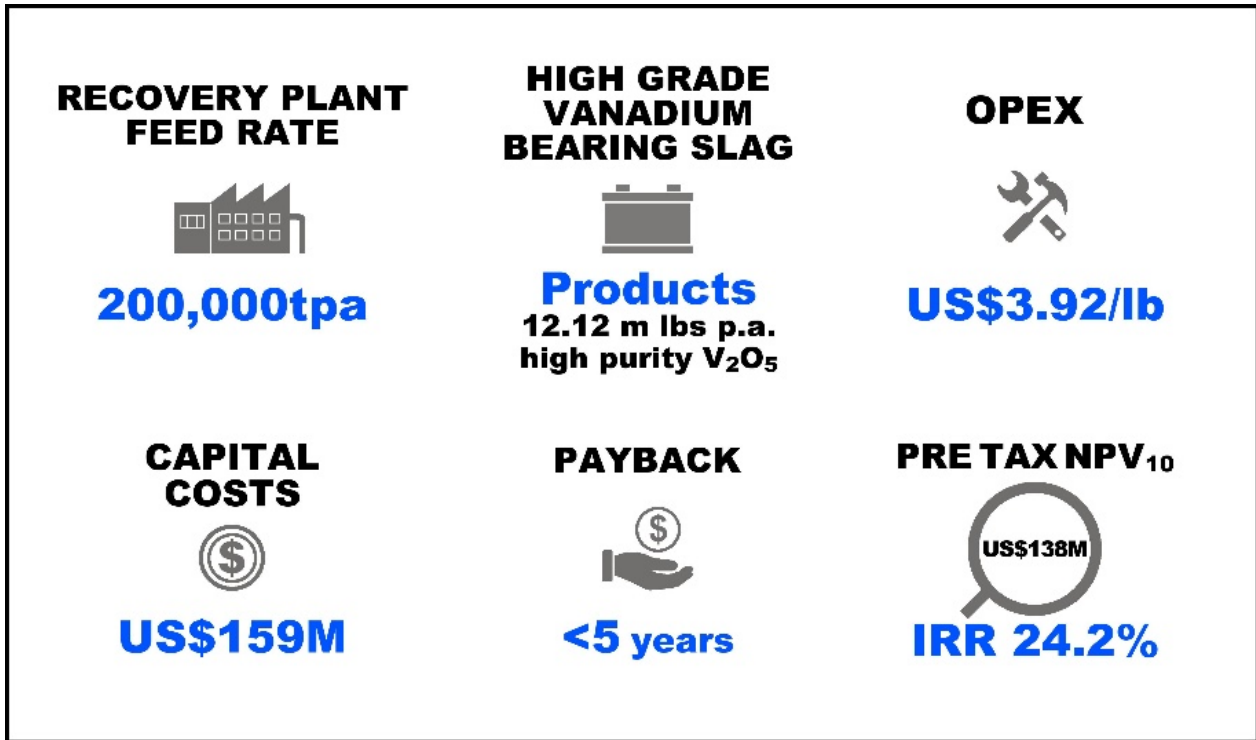


Figure 6 - Key Highlights of the Scoping Study (all figures expressed on a 100% ownership basis)

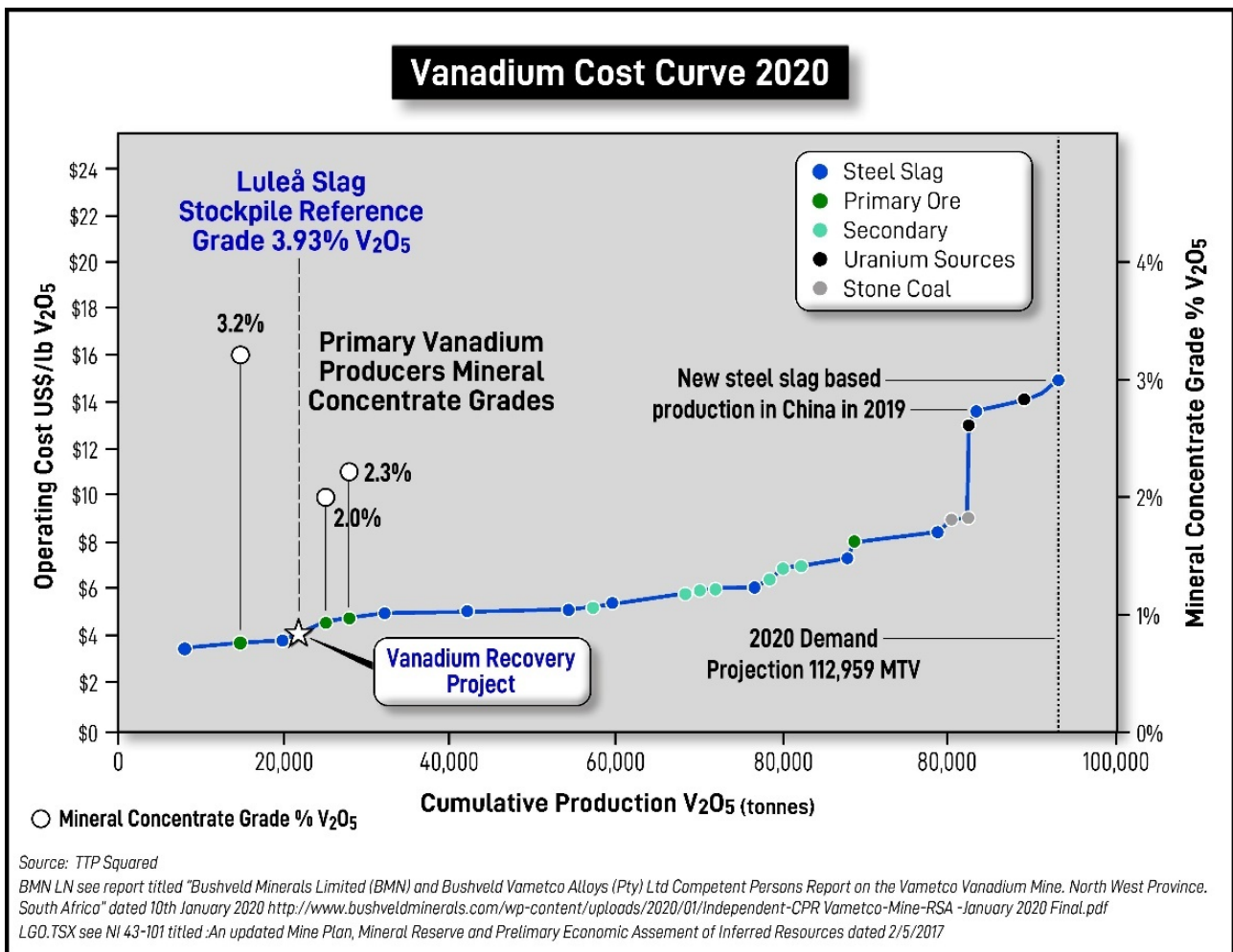


Figure 7 – Scoping Study Operating Cost Estimate over 2020 Vanadium Operating Cost Curve

Lithium Refinery Project (Neometals 100%)

The key purpose of the lithium refinery project (“**LR**”) is to realise value from the Company’s Mt Marion spodumene concentrate offtake option (“**Offtake Option**”) The annual Offtake Option from Mt Marion provides a fixed volume of up to 57,000tpa of 6% spodumene concentrate for conversion into battery grade lithium hydroxide (**LiOH**) for supply to LIB cathode and cell makers. The LR has been designed with a flexible capacity of nominally 20,000tpa of LiOH.

The LR represents a strategic option for downstream lithium chemical production when the lithium market returns to a position of strength. Development timelines have been designed to align with projected supply deficits forecast from ~2025 onwards

MOU with Manikaran Power

Pursuant to the MOU between the parties, Neometals and Manikaran Power Limited (“**Manikaran**”) have agreed to contribute their respective skills, resources and know-how to co-fund evaluation studies of the development of a LR in India and to share the costs of the evaluation equally. Upon completion of evaluation studies, and subject to agreement on terms, a final investment decision (“**FID**”) will be considered for a 50:50 joint venture (“**JV**”) to progress and develop the LR in India.

A positive FID and formal JV commitment would see Neometals contributing to the venture its ‘life-of-mine’ Offtake Option volume. Additional spodumene feed would be secured, as required, from external sources to meet the LR’s needs depending on nameplate capacity. It is proposed Manikaran will take the lead role in procuring project financing for not less than 50% of the capital expenditure required, securing regulatory approvals and Indian government subsidies (as available), securing a suitable site for the LR and necessary utility and reagent supplies.

June quarter activities associated with the Manikaran MOU included:

- Evaluation of potential project sites narrowed to three lots within the Mundra port in the State of Gujarat;
- Commencement of an AACE Class 3 based Feasibility Study awarded to Primero
- Testing of Mt Marion concentrates with potential plant vendors
- Veolia has completed process design work package for hydromet component of plant
- Process design criteria advanced in preparation for input from pyrometallurgy and hydrometallurgy technology vendors, SCT and Veolia respectively
- Commercial discussions ongoing with potential providers of third party spodumene feed for the LR



Figure 8 – Proposed Project Location adjacent to Mundra Port, the largest port in India

Barrambie Titanium/Vanadium Project (Neometals 100%)

The Barrambie Vanadium and Titanium Project in Western Australia (“**Barrambie**”) is one of the largest vanadiferous-titanomagnetite (“**VTM**”) resources globally (280.1Mt at 9.18% TiO₂ and 0.44% V₂O₅)*, containing the world’s second highest-grade hard rock titanium resource (53.6Mt at 21.17% TiO₂ and 0.63% V₂O₅)* and high-grade vanadium resource (64.9Mt at 0.82% V₂O₅ and 16.9% TiO₂) subsets (referred to as the Eastern and Central Bands respectively) based on the latest Neometals 2018 Mineral Resource Estimate (*for full details refer to ASX announcement entitled “Updated Barrambie Mineral Resource Estimate” released on 17 April 2018 and Table 1 below).

Table 1 – Barrambie Mineral Resource Estimate, April 2018

Global Resource as at 17 April 2018¹			
	Tonnes (M)	TiO ₂ (%)	V ₂ O ₅ (%)
Indicated	187.1	9.61	0.46
Inferred	93.0	8.31	0.40
Total	280.1	9.18	0.44

High Grade V₂O₅ Resource (at 0.5% V₂O₅ cut-off)²			
	Tonnes (M)	TiO ₂ (%)	V ₂ O ₅ (%)
Indicated	49.0	16.93	0.82
Inferred	15.9	16.81	0.81
Total	64.9	16.90	0.82

High TiO₂ Resource (14% TiO₂ cut-off)²			
	Tonnes (M)	TiO ₂ (%)	V ₂ O ₅ (%)
Indicated	39.3	21.18	0.65
Inferred	14.3	21.15	0.58
Total	53.6	21.17	0.63

(1) Based on Cut-off grades of ≥20% TiO₂ or ≥2% V₂O₅

(2) The high-grade titanium and vanadium figures are a sub-set of the total Mineral Resource. These figures are not additive and are reporting the same block model volume but using different cut-off grades.

Refer to Neometals' ASX release dated 17 April 2018 titled 'Updated Barrambie Mineral Resource Estimate' available at www.neometals.com.au/reports/2018-04-17-3645-BarrambieP.pdf

Barrambie is located approximately 80km North-west of Sandstone in Western Australia (see Figure 1), and has a granted mining lease covering its mineral resource.

IMUMR MOU

In December 2019 quarter, Neometals entered a memorandum of understanding (“**MOU**”) with Chinese research organisation, IMUMR, to jointly advance development of Barrambie (for full details refer to ASX announcement entitled “Development agreement for Barrambie Project” released on 4 October 2019). MOU activities are underway with concentrate (mixed, Ilmenite and Iron/Vanadium) being evaluated ahead of a potential processing demonstration plant. The MOU outlines a potential pathway towards a 50:50 joint venture to advance Barrambie’s commercial exploitation.

The MOU establishes a pathway to enhance and realise value through the development of Barrambie with a potential partner to considerably reduce Neometals funding requirements and project risk. It should also be recognised that IMUMR has a Chinese national mandate that includes development of upstream supply chains for industries of strategic relevance to China. IMUMR will have the right, subject to Neometals approval, to assign its interests under the MOU to a commercial Chinese chemical processing partner.

Test-work

Metallurgical test-work activities progressed well during the quarter and have been scoped to align with evaluation steps in the Neometals MOU with IMUMR towards a commercial mining and processing venture. The test-work can be considered in two parts:

1. Beneficiation to produce high quality concentrates which are suitable feedstocks for conventional downstream processing into titanium and vanadium products (metals and chemicals); and
2. Design and trialling of a hydrometallurgical downstream processing flowsheet to make high-purity titanium and vanadium chemical products.

Beneficiation and Downstream Processing

During the March quarter, magnetic and gravity-based pilot beneficiation campaigns were successfully completed in Perth. In addition to the samples of iron/vanadium and ilmenite concentrates that were sent to China for customer evaluation, Neometals now has approximately 11 tonnes of additional Barrambie Eastern Band (titanium rich) concentrate available for blending and delivery to meet IMUMR MOU commitments.

In addition to preparation of concentrates from the pilot trial, Neometals completed downstream test-work (hydrometallurgy) on Eastern band concentrates to:

- i) extract and recover the vanadium values; and
- ii) produce feed for pilot processing of titanium chemicals in Perth.

Neometals has demonstrated the ability to make a high-purity intermediate chemical that is commonly produced by prospective titanium pigment customers. Industrial minerals need to be benchmarked for value in use to attract off-takers and industry partners. Of commercial relevance, the hydrometallurgical titanium chemical results will support investigations by potential partners who will look to add value to titanium and vanadium/iron bearing concentrates prepared in Australia.

Neometals is encouraged by positive feedback from IMUMR and other industry groups on ilmenite concentrate. Industry feedback is pending on the iron/vanadium concentrates prepared by Neometals and industry feedback here will guide next steps for further Chinese analysis and/or flowsheet demonstration.

Class 5 Scoping and Engineering Studies

An AACE Class 5 Engineering Cost Study on Neometals favoured path to extract value from both titanium and vanadium is now complete. With ore, concentrate and chemical product quality in a position to be measured by third parties via evaluation samples, the study outcomes will provide the remaining information to IMUMR and other potential industry partners from which to make preliminary assessments of Barrambie product value-in-use and economic viability within their various business models.

Given the uncertainties in the Chinese titanium and vanadium chemical markets, Neometals will narrow its focus to the evaluation of concentrate operation as a first stage.

EXPLORATION PROJECTS

Mt Edwards Lithium and Nickel Project (Neometals 100%)

Neometals continued to build value during the quarter at Mt Edwards. Since acquisition in 2018, drill programs have defined high grade massive nickel mineralisation and several Mineral Resources have been reviewed with estimates updated. Successful exploration outcomes at Mt Edwards are driving development of a pipeline of short lead time nickel sulphide deposits for further evaluation via mining studies. Exploration results to date have provided strong encouragement regarding alternatives to realise value at Mt Edwards.

The Mt Edwards project is located 90km south of Kalgoorlie and 35km south west of Kambalda in Western Australia. The tenements cover an area of 240km² across the Widgiemooltha Dome nickel sulphide belt and host more than 141,000 tonnes of contained nickel estimated across eleven nickel sulphide Mineral Resources (*for full details refer to ASX announcement entitled “Increase in Mt Edwards Nickel Mineral Resource” released on 26 May 2020*).

Table 2 – Mt Edwards Project Nickel Mineral Resources - total nickel tonnes 141,000

Deposit	Indicated		Inferred		TOTAL Mineral Resources		
	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Nickel Tonnes
Widgie 3 ²			625	1.5	625	1.5	9,160
Gillett ⁵			1,306	1.7	1,306	1.7	22,500
Widgie Townsite ²	2,193	1.9			2,193	1.9	40,720
Munda ³			320	2.2	320	2.2	7,140
Mt Edwards 26N ²			575	1.4	575	1.4	8,210
132N ¹	110	3.5	10	1.8	120	3.4	4,070
Cooke ¹			150	1.3	150	1.3	1,950
Armstrong ⁴	526	2.1	107	2.0	633	2.1	13,200
McEwen ¹			1,070	1.3	1,070	1.3	13,380
McEwen Hangingwall ¹			1,060	1.4	1,060	1.4	14,840
Zabel ¹			330	1.8	330	1.8	5,780
TOTAL	2,829	2.0	5,553	1.5	8,382	1.7	141,000

Reporting criteria: Mineral Resources quoted using a 1% Ni block cut-off grade. Small discrepancies may occur due to rounding

Note 1. refer announcement on the ASX: NMT 19 April 2018 titled Mt Edwards JORC Code Mineral Resource 48,200 Nickel Tonnes

Note 2. refer announcement on the ASX: NMT 25 June 2018 titled Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes

Note 3. refer announcement on the ASX: NMT 13 November 2019 titled Additional Nickel Mineral Resource at Mt Edwards

Note 4. refer announcement on the ASX: NMT 16 April 2020 titled 60% Increase in Armstrong Mineral Resource

Note 5. refer announcement on the ASX: NMT 26 May 2020 titled Increase in Mt Edwards Nickel Mineral Resource

During the quarter, the exploration team has updated nickel sulphide Mineral Resources at two of its nickel deposits (Armstrong and Gillett) within the Mt Edwards project, undertaken a MLEM ground geophysical survey and prepared for drilling programs in the September quarter:

Armstrong

During the quarter, Neometals announced an updated nickel Mineral Resource at its Armstrong deposit (“**Armstrong**”) located on tenement M15/99, estimated in accordance with the 2012 JORC Code. Utilising historical and new drilling and assay data, the reinterpreted Mineral Resource at Armstrong was increased by **60%** to 13,200 tonnes of contained nickel.

Table 3 - Armstrong Indicated and Inferred Mineral Resource Estimate

Mineral Resource Category	Cut-off Ni%	Tonnes	Ni %	Ni tonnes
Indicated	1	526,000	2.1	11,000
	1.5	339,000	2.5	8,500
	2	187,000	3.2	5,900
Inferred	1	107,000	2.0	2,200
	1.5	68,000	2.5	1,700
	2	37,000	3.1	1,200
TOTAL	1	633,000	2.1	13,200
	1.5	407,000	2.5	10,200
	2	224,000	3.1	7,100

Reporting criteria: Mineral Resources quoted using a 1% Ni block cut-off grade. Small discrepancies may occur due to rounding
 Note 1. refer announcement on the ASX: NMT 16 April 2020 titled 60% Increase in Armstrong Mineral Resource

Reverse circulation drilling was undertaken at Armstrong in December 2019 (“**Armstrong RC**”). The Armstrong RC program infilled the Mineral Resource to improve the understanding of the interpreted down plunge mineralised zone and to test the extent of remobilised high-grade shoots at depth below the main ultramafic-basalt contact.

The Armstrong RC intercepted massive nickel sulphide, including **6 metres @ 8.11%** nickel from 206 metres down drill-hole (for full details refer to ASX announcement entitled “High-grade massive nickel sulphide at Mt Edwards” released on 31 January 2020). This was the first nickel exploration drilling at Armstrong since 2007 and helped validate the previous drilling information and furthered the understanding of the channel geometry.

The data produced by the Armstrong RC program warranted a reinterpretation of the Mineral Resource and was used to produce a refined and focused Mineral Resource to JORC 2012 specifications considering modern mining techniques and economic factors. The Armstrong Mineral Resource was estimated by Richard Maddocks from Auralia Mining Consultants and reviewed by Snowden Mining Industry Consultants.

Gillett Deposit

Using historical and new assay data the Gillett Mineral Resource located on tenement M15/94 was reinterpreted resulting in an increase in the amount of contained nickel by **30%** from 17,050 to 22,500 tonnes. The Gillett Mineral Resource was estimated by Richard Maddocks from Auralia Mining Consulting and reviewed by Snowden Mining Industry Consultants. Post the revised Gillett Mineral Resource, Global Mineral Resources at the Mt Edwards project increased to 8.38 million tonnes at 1.7% nickel for 141,000 tonnes of contained nickel across 11 deposits.

Table 4 - Gillett Inferred Mineral Resource Estimate at various nickel grade cut-offs

Mineral Resource Classification	Cut-off Ni%	Tonnes	Ni %	Ni tonnes
Inferred	1	1,306,000	1.7	22,500
	1.5	698,000	2.1	14,800
	2	350,000	2.5	8,700
TOTAL	1	1,306,000	1.7	22,500
	1.5	698,000	2.1	14,800
	2	350,000	2.5	8,700

Reporting criteria: Mineral Resources quoted using a 1% Ni block cut-off grade. Small discrepancies may occur due to rounding
 Note 1. refer announcement on the ASX: NMT 26 May 2020 titled Increase in Mt Edwards Nickel Mineral Resource

Reverse circulation drilling was undertaken at Gillett in September 2019 (“**Gillett RC**”) to test for strike extensions of the historical Mineral Resource (first estimated in 2007). Gillett RC drilling generated significant intercepts, confirmed a strike extension (now greater than 800 metres) and also improved the understanding of the interpreted geology, including the near horizontal plunge of the mineralised zone on a steeply dipping and overturned ultramafic-basalt contact.

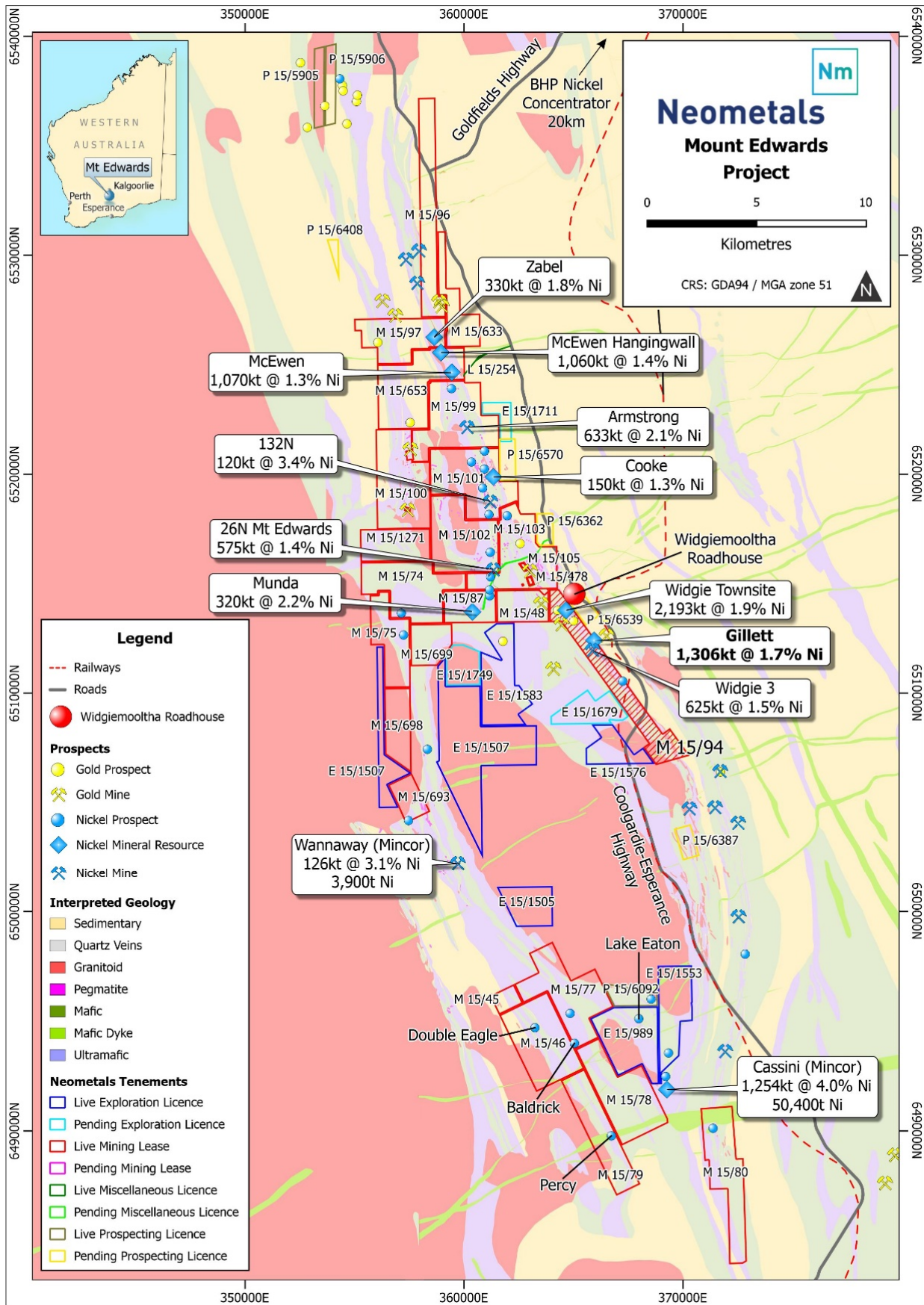


Figure 9 - Mt Edwards Project tenure over geology. The location of the Armstrong and Gillett Mineral resources, and their relative Mining Leases (M15/99 and M15/94) are shown along with the projects other Mineral Resources. Neometals hold 100% nickel rights for all live tenements shown above.

Gillett RC drilling intercepted nickel sulphides, including **16 metres @ 1.44%** nickel from 222 metres depth down drill-hole (for full details refer to ASX announcement entitled “Mt Edwards Nickel - Drill Results from Widgie South Trend” released on 11 December 2019). The program helped validate previous drilling information, but more importantly, when considered against an absence of exploration since 2008, highlighted the opportunity to significantly define a much larger mineralisation footprint.

Near term Work

Exploration

Neometals is excited to be heading back into the field with a targeted drilling program over the Lake Eaton prospect and tenure along strike from Mincor’s Cassini deposit (“**Cassini**”). Diamond drilling is presently underway on the recently acquired Exploration License E15/1553 located less than 2 kilometres directly north and along strike from Cassini. A number of the conductor plates identified on the Cassini-Wannaway trend with completion of MLEM geophysical survey are planned to be drilled on the southern portion of the project over tenements M15/78, E15/989 and E15/1553.

Resource Extension/Development Studies

Given the success this quarter of increasing the resource at Gillett planning work is underway for a work program that will include RC and diamond core drilling to further test the extents of mineralisation, and infill drilling to increase confidence sufficient to ‘upgrade’ the Mineral Resource ‘classification’. In addition, diamond core drilling and sampling will be used to further improve the understanding of the mineralogy and metallurgical characteristics to pave the way for advanced mining studies.

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CORPORATE

Commercial / Corporate

Neometals has a consistent aim to build the inherent value of opportunities through downstream processing of materials for a sustainable future. Alongside the LIB recycling initiative, the Vanadium Recycling Project now adds weight to the Neometals responsible materials recovery thematic. Given the maturity of Neometals' pivot towards circular resource recovery, the Company is well advanced on the preparation of its first sustainability report. Foundation ESG practices have for some time been adopted by the Company and it now makes sense to better disclose our process, policies and goals in this regard.

Financial

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

As at 30 June 2020 Neometals holds 706,209,483 ordinary fully paid shares (36% of the issued capital) in Hannans on an undiluted basis. At 30 June 2020, Hannans' shares closed at 0.5c implying a value of \$3.5M.

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

Neometals holds 16.4% of unlisted public company Critical Metals Ltd, a company which now houses the Scandinavian mineral assets previously held by Hannans.

Other Investments

The market value of the Company's other investments as at 30 June 2020 totalled \$1.5M.

Finances (unaudited)

Cash and term deposits on hand as of 30 June 2020 totalled A\$81.3 million, including \$4.2 million in restricted use term deposits supporting performance bonds and other contractual obligations. The Company has net receivables and listed securities totalling approximately \$6.3 million.

Related Party payments for the quarter outlined in the ASX 5B at section 6.1 total \$230,250 and are made up of Director fees and superannuation.

Capital Management

On 20 March 2020, the Company declared a Special Dividend of 2 cents per share partially franked to 7% which was paid on Friday, 3 April 2020. Neometals has delivered cash returns of approximately A\$56 million to shareholders progressively over the previous five financial years.

Issued Capital

The total number of shares on issue at 30 June 2020 was 544,516,913.

ENDS

Authorised on behalf of Neometals by Christopher Reed, Managing Director

For further information, please contact:

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Compliance Statement

The information in this report that relates to Mineral Resource and Ore Reserve Estimates and updated DFS Results for the Barrambie Vanadium/Titanium Project and Mineral Resource Estimates and Nickel drill results for the Mt Edwards Project are extracted from the ASX Announcements listed in the table below, which are also available on the Company's website at www.neometals.com.au

26/05/2020	Mt Edwards Nickel – Increase in Mt Edwards Nickel Mineral Resource
16/04/2020	Mt Edwards Nickel – 60% Increase in Armstrong Mineral Resource
31/01/2020	Mt Edwards Nickel – High-grade massive nickel sulphide at Mt Edwards
11/12/2019	Mt Edwards Nickel – Drill Results from Widgie South Trend
13/11/2019	Additional Nickel Mineral Resource at Mt Edwards
25/06/2018	Mt Edwards Nickel – Mineral Resource over 120,000 Nickel Tonnes
19/04/2018	Mt Edwards Nickel – Mineral Resource Estimate
17/04/2018	Updated Barrambie Mineral Resource Estimate

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 from the original market announcements.

APPENDIX 1: TENEMENT INTERESTS

As at 30 June 2020 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	L20/81	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	L15/397	50%	Pending

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	E15/1576	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
Mt Edwards	E15/1665	100%	Pending
Mt Edwards	E15/1711	100%	Pending
Mt Edwards	P15/6408	100%	Pending
Mt Edwards	P15/6539	100%	Pending
Mt Edwards	P15/6092	100%	Live
Mt Edwards	E15/1553	100%	Live
Mt Edwards	E15/1749	100%	Pending
Mt Edwards	P15/6570	100%	Pending

^Nickel Mineral rights only

**Lithium and Nickel Mineral 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	P15/6570	Application

Interests in mining tenements relinquished, reduced or lapsed

Project Name	Licence Name	Relinquished, Reduced or Lapsed
n/a	n/a	n/a