



MOU for Barrambie Concentrate Offtake

HIGHLIGHTS

- MOU executed with leading titanium slag producer Jiuxing Titanium Materials (Liaoning) Co. Ltd
- MOU contains an evaluation framework and key commercial terms for long-term offtake of either a mixed or individual ilmenite (titanium) and iron-vanadium concentrates
- Pricing benchmarked to published market prices and specifications, with a floor-price mechanism based on actual delivered cost plus a margin
- Follows successful confirmation beneficiation test work at pilot scale in China by IMUMR and multiple bench-scale smelting test work by Jiuxing
- Leading mining service providers have been requested to provide proposals for the development of a mine and concentrator at Barrambie on a capital-light "Build-Own-Operate" basis.

Innovative project development company, Neometals Ltd (ASX: NMT) ("**Neometals**" or "**the Company**"), is pleased to announce that it has entered into a Memorandum of Understanding* ("**MOU**") with leading Chinese titanium slag producer, Jiuxing Titanium Materials (Liaoning) Co. Ltd, ("**Jiuxing**").

Neometals' 100% owned Barrambie Titanium-Vanadium Project ("**Barrambie**") is the most advanced, undeveloped hard-rock titanium Mineral Resource in Australia, located adjacent to existing transport infrastructure giving access to open user port facilities (see Figure 1). Barrambie has a granted Mining Proposal for a 1.2 Mtpa mining operation and Ministerial Approval for construction of a processing plant with a throughput of 3.2Mtpa.

Jiuxing is the largest chloride titanium slag production company in north eastern China and has an approximate 12% share of the total Chinese chloride slag market. Jiuxing has been operating since 2008 and is the strategic partner and chloride-grade supplier to leading chloride-grade titanium pigment producers including CITIC Titanium Industry Co., Ltd and China BaoTi Huashen Titanium Industry Co., Ltd.

The MOU contemplates Neometals supplying a mixed gravity concentrate or separate ilmenite and iron vanadium concentrate from Barrambie to Jiuxing. Neometals will mine a bulk sample from Barrambie and deliver approximately 100 tonnes of mixed concentrate to Jiuxing for commercial-scale batch smelting in its titanium smelter in the December Quarter 2021. Separately, Neometals will downstream-process mixed concentrates to produce separate ilmenite and iron-vanadium concentrates to advance potential customer relationships for the balance of planned production. Following satisfactory completion of Jiuxing's testing and technical due diligence, the MOU contemplates the parties negotiating and entering into a binding formal offtake agreement for the supply of 800,000 dtpa of mixed gravity concentrate or 500,000 dtpa of ilmenite and 275,000 dtpa of iron-vanadium concentrate, on a take-or-pay basis for a period of 5 years from first production. The MOU sets out Jiuxing's desired specifications of both the mixed and individual concentrates, and pricing will be benchmarked to published market prices subject to a price floor which is based on actual delivered cost plus a margin. The parties are targeting execution of binding formal agreements in the first quarter of 2022.

[(*) Note: The MoU is a memorandum of understanding to allow Jiuxing to conduct large scale test work and negotiate a binding offtake agreement. There is no guarantee that any binding formal agreement will result from the cooperation under the MoU or that any binding formal agreement will reflect the key commercial terms set out in the MOU given that these arrangements are subject to the testing and evaluation work to be completed under the MOU. This MoU is effective for 18 months.]

The Jiuxing MOU builds on, and complements, the existing memorandum of understanding with Chinese research organisation, IMUMR*, to advance Barrambie towards development. IMUMR has completed trials at pilot scale (“Pilot”) to confirm the mixed gravity concentrate can be roasted and magnetically separated into two high-quality ilmenite and iron-vanadium concentrates (for latest details see Neometals ASX announcement, “IMUMR commences pilot plant trials on Barrambie”, dated 2nd March 2021). Ilmenite and iron-vanadium concentrates from the pilot trials will be used for evaluation purposes by Jiuxing and other potential offtake parties for the balance of potential production.

*IMUMR is the ‘Institute of Multipurpose Utilization of Mineral Resources Chinese Academy of Geological Sciences’. See Neometals ASX announcement titled “Development Agreement for Barrambie Project” dated 4th October 2019, regarding the memorandum of understanding with IMUMR, defining a co-funded evaluation pathway towards a 50:50 joint venture to develop Barrambie).

In parallel, Neometals’ early contractor engagement process has leading service providers in a data room conducting due diligence in relation to the provision of a complete mine-to-port solution under a ‘build-own-operate’ style arrangement for a mining and gravity concentration operation at Barrambie for export to end-users. This model was used successfully in the development of Neometals and its partners to develop the Mt Marion Lithium Project in 2015, which is now the world’s second largest producer of spodumene (hard-rock lithium) concentrates.

Neometals’ Managing Director Chris Reed commented:

“This MOU is an exciting milestone for Neometals and the Barrambie Project. It validates our long-held belief in the shift by the Chinese Titanium pigment industry to the more environmentally friendly Chloride processes, requisite step-change in demand for chloride-grade titanium slag and the ability of Barrambie to help meet these supply needs. In parallel we continue to advance our early contractor engagement process to ensure Barrambie can be expeditiously brought into production.”



Figure 1 - Location of Barrambie Project. Image shows proximity to infrastructure and the deep-water port at Geraldton

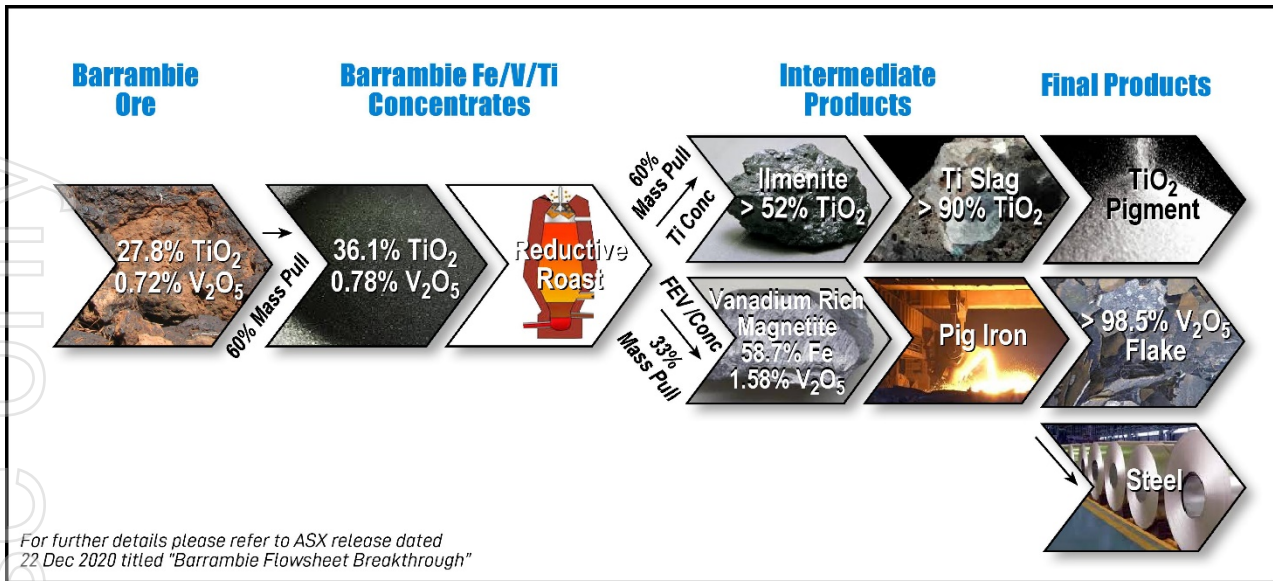


Figure 2 – Image showing potential Barrambie process flowsheet under a capital-light concentrate export operation

A video fly-through of the Barrambie Project and potential operation is available online at the following link:

www.neometals.com.au/barrambie-3d-flythrough

Authorised on behalf of Neometals by Christopher Reed, Managing Director

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COMPLIANCE STATEMENT

The information in this report that relates to exploration results from the Barrambie Project are extracted from the ASX Announcement entitled "Barrambie Flowsheet Breakthrough" dated 22 December 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

About Neometals Ltd

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. With a focus on the energy storage megatrend, the strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

Neometals has four core projects with large 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 50:50 JV partner SMS group, working towards a development decision in early 2022; and
- Vanadium Recovery – sole funding the evaluation of a potential 50:50 joint venture with Critical Metals Ltd 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 2022.

Upstream Industrial Minerals:

- Barrambie Titanium and Vanadium Project - one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in early 2022

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