

Neometals Strategy Update

Sustainable process technology developer, Neometals Ltd (ASX: NMT, AIM: NMT & OTCQX: NMTAY) (**“Neometals”** or **“the Company”**), provides a strategy update with the following key measures to be implemented immediately:

- Restructuring and right-sizing of the organisation and its underlying cost base to reflect a new strategic refocus;
- Prioritising the progression of Primobius, the LiB Recycling joint venture with SMS group GmbH, through industrial validation to commercialisation; and
- Capital management initiatives through the targeted sale of non-core assets and strategic partnering to facilitate the ongoing development of the Company’s other technologies.

Neometals has adapted its corporate strategy in response to prevailing battery materials prices and market sentiment. A simplified structure and focus on the Primobius plant building joint venture targets an optimum path to creating and realising shareholder value.

These steps and the Company’s existing austerity plan are expected to lower the corporate and administrative cost base by approximately 40% year-on-year. This, coupled with the recently announced placement raising approximately A\$4.5M,¹ is intended to support the commercialisation of Primobius with the aim of becoming a leading supplier of LiB Recycling plants to the global EV supply chain.

Primobius’ patented recycling process is being industrially validated through the delivery of a 2,500 tpa plant for Mercedes-Benz in Kuppenheim, Germany. Once successfully commissioned and accepted by the client, Primobius plans to then offer larger plants to its growing pipeline of licence holders, MOU counterparties and new customers. Primobius’ preferred business model is to offer plant supply contracts and technology licences, rather than operating recycling plants as principal.

The pre-commercial lithium and vanadium recovery technologies have been developed to pilot scale but require significant additional capital to demonstrate proof-at-scale. Despite the prolonged lithium and vanadium commodity price downturns, the engineering cost studies indicate both technologies can potentially deliver users a step change in operating costs and carbon footprints of materials, critical for the long-term energy transition. Neometals is actively supporting these distinct business units to become independently funded and will consider options to potentially sell down beneficial ownership, by procuring commercial partners for those business units.

Neometals Managing Director Chris Reed said:

“We have taken these tough but necessary decisions to simplify our strategy, focus and organisation to prioritise the growth of the Primobius revenue base and forward order book. Primobius is a market leader, delivering a first-of-a-kind integrated recycling plant for Mercedes-Benz, a global marquee carmaker. The headwinds in the battery materials sector dictate that we must adapt to suit conditions by conserving capital, securing partners to fund our pre-commercial technologies and divesting non-core assets”.

¹ For further details, refer to Neometals ASX announcement headlined “US\$3M Placement”, released 19th August 2024.

Updates have been provided below in alignment with the Company's corporate strategic pillars. These pillars represent Neometals' key areas of focus:

Capital

In addition to the recent injection of capital, Neometals will continue and intensify its austerity plan to further reduce cash outflows and extend its capital horizon. The board will allow the option to acquire a precious metal recovery process and plant in the US to lapse.² As at 21 August 2024, Neometals has approximately \$9.3M in cash and no debt.

People

The necessary restructure to match the scope and scale of the new strategy unfortunately impacts a number of roles within the organisation which have been made redundant. The individuals affected have been notified and Neometals is supporting them as it works through the required processes. The LiB Recycling team, headed by Jenny Purdie (COO), retains its capacity to deliver the work packages managed by Neometals on behalf of Primobius.

Product Readiness

Primobius' commercial scale recycling plants (~20,000 tpa) are the closest "Product" to being commercially ready for sale within Neometals' portfolio, under plant supply and technology licensing business models. A precondition to "Product Readiness" is the successful commissioning and acceptance of the 2,500 tpa Mercedes Pilot Plant. The acceptance testing for the shredding and beneficiation section of the Mercedes Pilot Plant ("Spoke") is currently expected in the 1H CY25 and the refinery section ("Hub") in the 2H CY2025, with other commercial milestones aligned accordingly.³

Partners

Neometals' key partner is SMS group GmbH, the 50% co-owner of Primobius. Neometals' partner in its lithium processing technology ("ELi™") is Mineral Resources Ltd (30%).

Neometals will focus on securing additional partners to fund the further development of its other pre-commercial technologies through the demonstration, industrial validation and commercial stages.

Portfolio

Neometals is focused on reshaping its portfolio of assets to become less complex and more easily understood and is prioritising the delivery of its highest-value, near-term growth opportunities. This includes the planned divestment of its upstream mining assets with the freed capital available to support its priority projects. The Company remains committed to its core competency of developing processes for the recovery of critical materials from high-value waste streams through urban mining.

All intellectual property is held in special purpose vehicles separate from their commercialisation vehicles. The commercialisation vehicles hold technology licences and they aim to prosecute business models ranging from plant supply to principal operations. Primobius has a low-capital plant supply and low-risk licensing business model and is core to Neometals' portfolio.

² For further details, refer to Neometals ASX announcement headlined "Option to Acquire Precious Metals Waste Recovery Process and Plant in US", released 27th May 2024.

³ For further details, refer to the presentation that follows at the end of this announcement.



For more detailed information please refer to the presentation at the end of this announcement.

Authorised by the Board of Neometals

ENDS

For further information, visit www.neometals.com.au or contact:

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E chris@neometals.com.au

About Neometals Ltd

Neometals facilitates sustainable critical material supply chains and reduces the environmental burden of traditional mining in the global transition to a circular economy.

The Company is commercialising a portfolio of sustainable processing solutions that recycle and recover critical materials from high-value waste streams.

- Neometals' core focus is its patented, **Lithium-ion Battery ("LiB") Recycling technology (50% NMT)**, being commercialised in a 50:50 incorporated JV (Primobius GmbH) with 150-year-old German plant builder, SMS group GmbH. Primobius is supplying Mercedes-Benz a 2,500tpa recycling plant and operates its own LiB Disposal Service in Germany. Primobius' first 21,000tpa commercial plant will be offered to Stelco under an existing technology licence for North America.

Neometals is developing two advanced battery materials technologies for commercialisation under low-risk, low-capex technology licensing business models:

- **Lithium Chemicals (70% NMT)** – Patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Pilot scale test work and Engineering Cost Study update planned for completion in DecQ 2024; and
- **Vanadium Recovery (100% NMT)** – Patent pending hydrometallurgical process to produce high-purity vanadium pentoxide from steelmaking by-product ("Slag") at lowest-quartile operating cost and carbon footprint.



Strategy Update

Investor Presentation | 22 August 2024

ASX: **NMT** | AIM: **NMT** | OTCQX: **NMTAY** | DEU: **9R9**

Authorised for release by the Board of Neometals Limited



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 contains, opinions, projections, forecasts and other statements which are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from the 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.

Any opinions, projections, forecasts and other forward-looking statements 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. Except as required by law, and only to the extent so required, directors, agents and employees of Neometals shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatever nature arising in any way out of, or in connection with, the information contained in this document.

Financial data:

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

Not financial product advice:

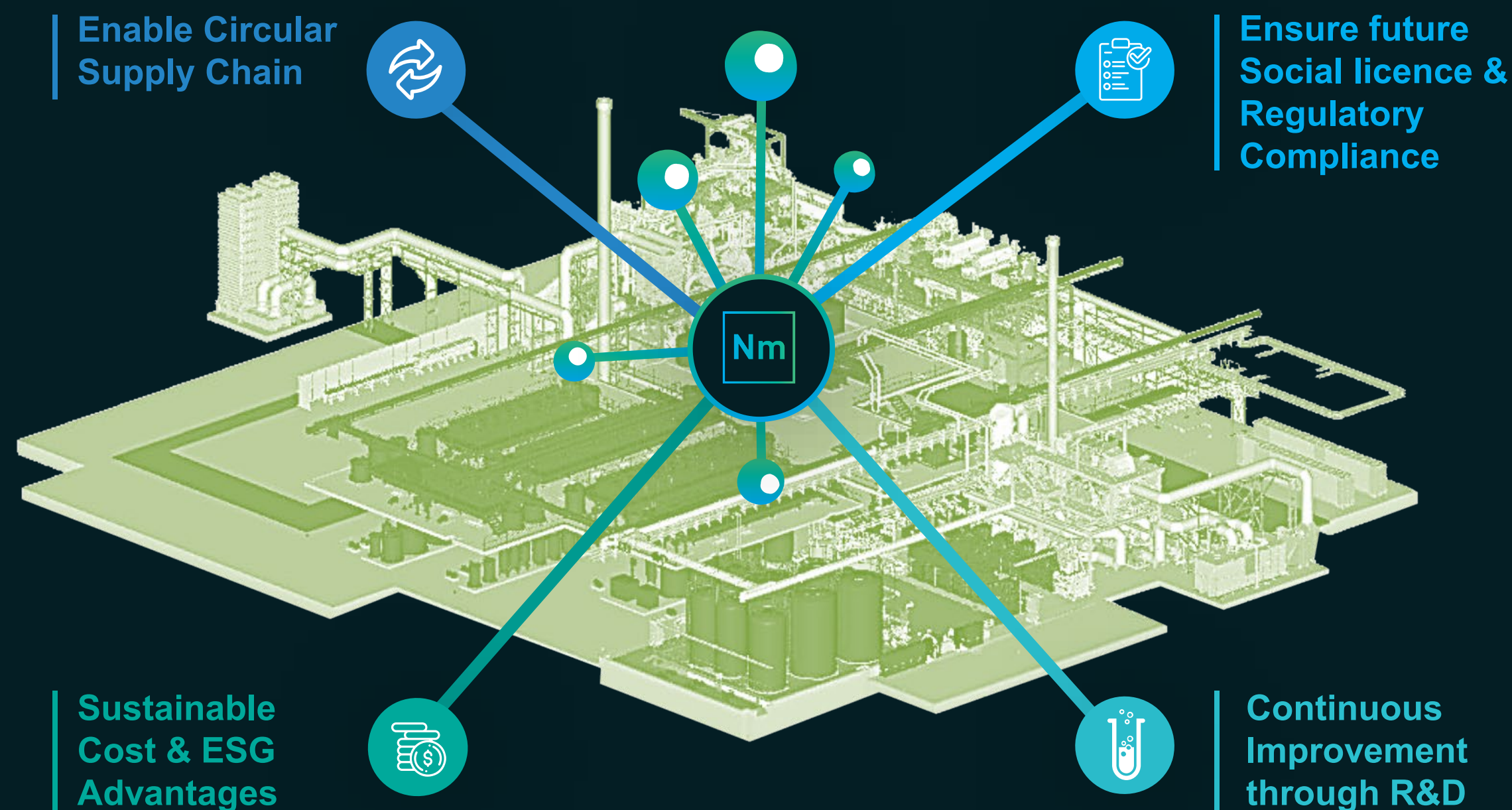
This document is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire securities in Neometals. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making any investment decision, 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.

Focus (What We Do)

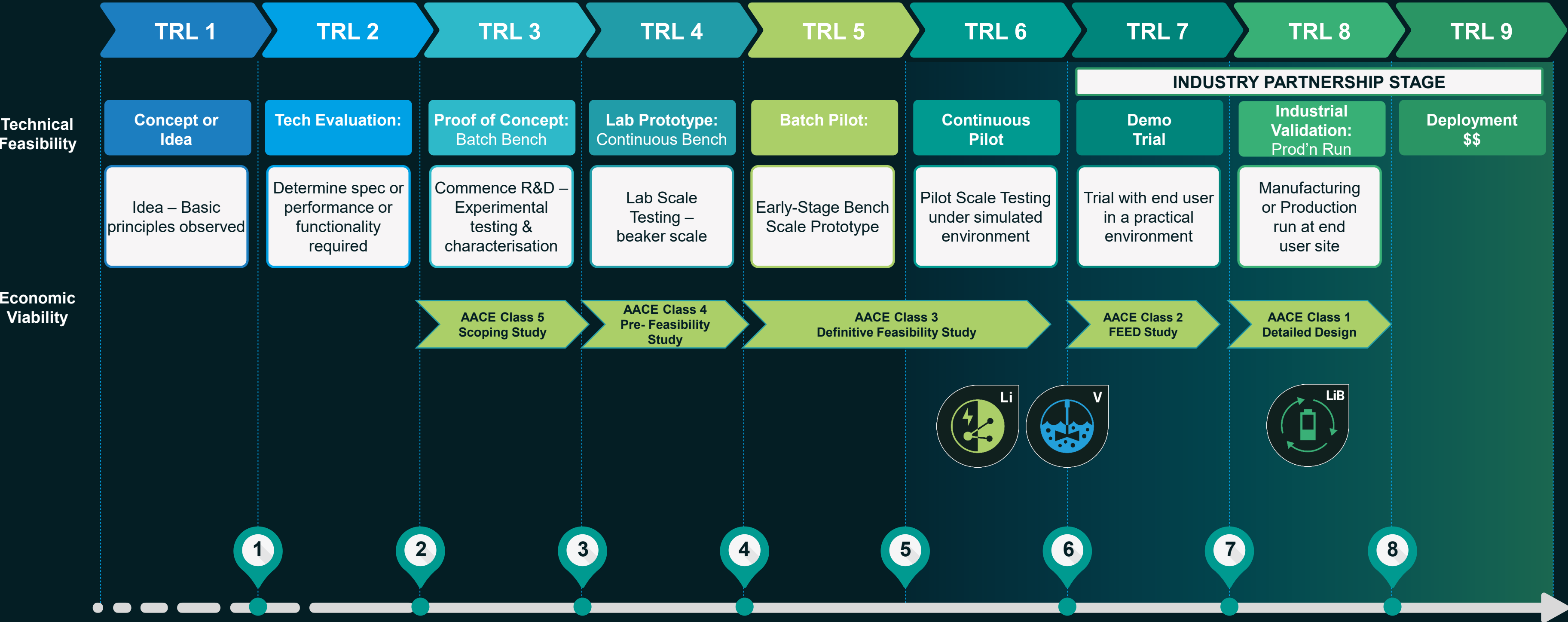
Commercialising our portfolio of sustainable process technologies to recycle and recover critical materials from high-value waste streams



- Primobius JV is building Mercedes-Benz a 2,500tpa integrated spoke and hub pilot plant
- Product readiness for ~21,000tpa integrated plants expected 2H2025
- Lithium Chemical and Vanadium Recovery technologies approaching Industrial Partner Validation stage of development

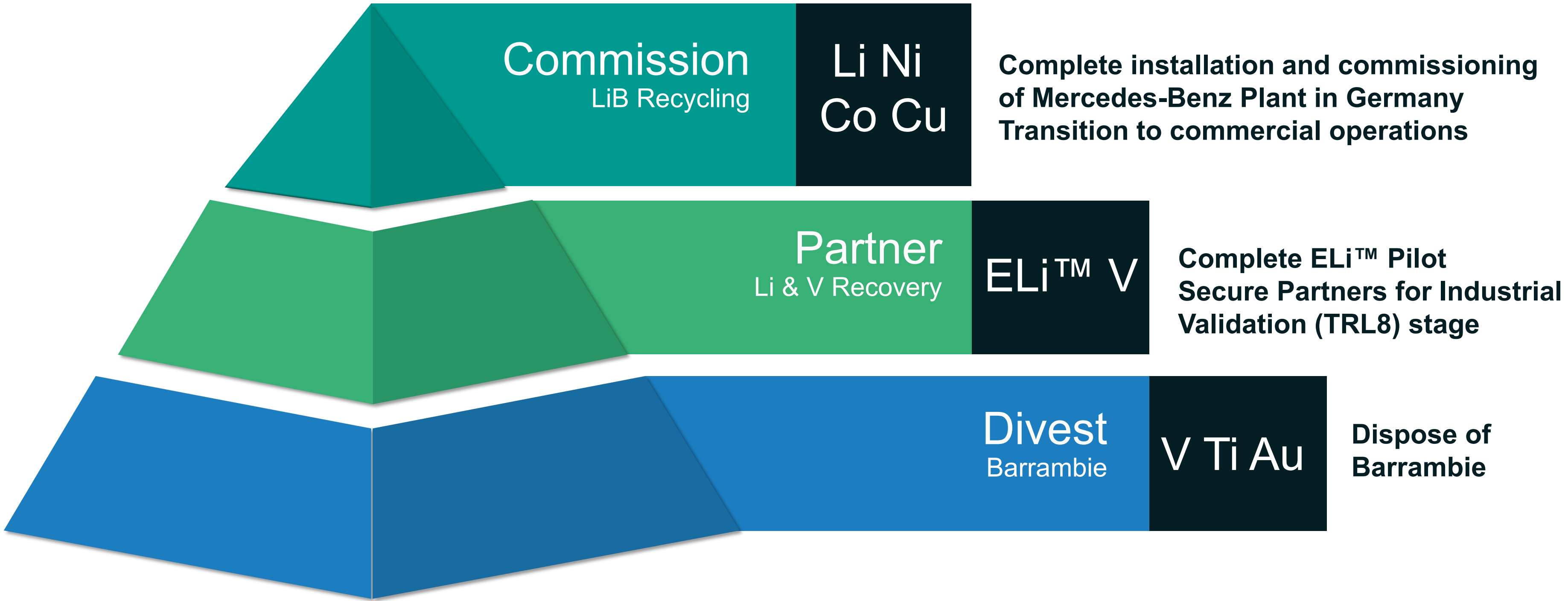
How We Do It

Identify need, innovate solution, disciplined development and evaluation, partner with industry leaders

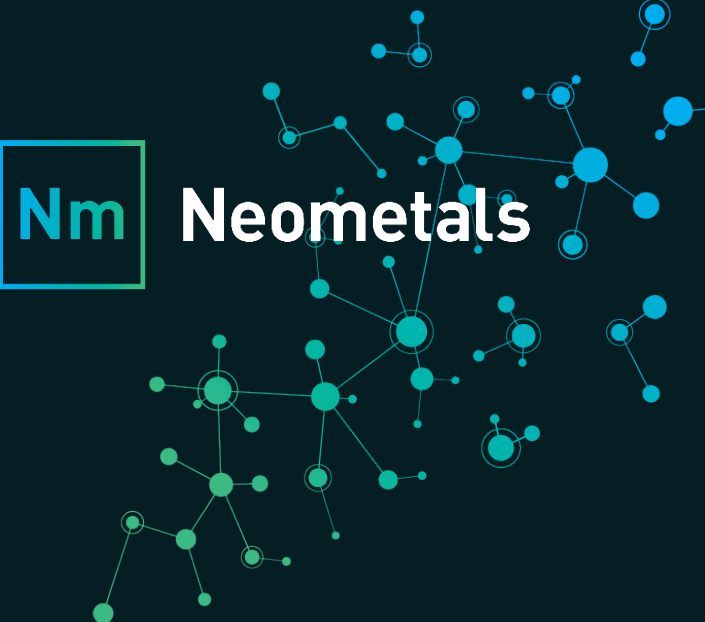


Note: AACE Engineering Cost and Feasibility Study sequencing likely to move project to project based on project circumstances

When We Do It – FY25 Tactical Goals



Conserve Our Capital – Right Size Our Structure



Right-Sized Teams

Streamlined resource use, maintain lean, optimised team structure and alignment

Role Reduction

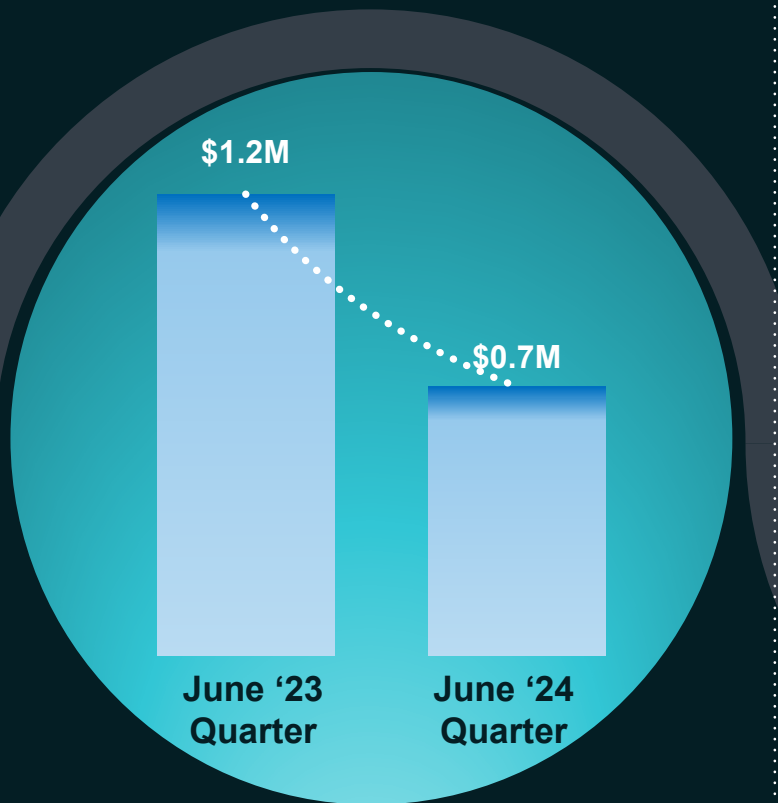


- Role reduction of 60% with reduced activities across non-core business units.

Business Case

Strategic cost reduction initiatives yield significant administration and corporate savings

Cost Reduction

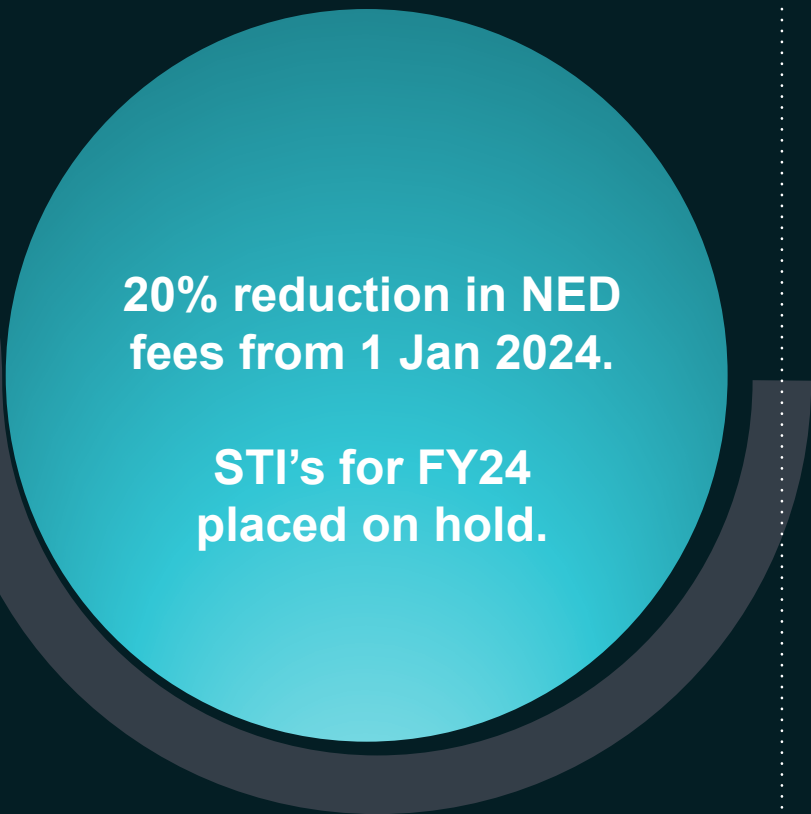


- A reduction of 42% in Administrative and Corporate costs.

Austerity

Directors agree to decrease director fees and KMP agree to forgo STIs

Other Measures



Corporate Dashboard

ASX: NMT		OTCQX: NMTAY	
Shares on Issue ⁽¹⁾	m	689.8	
Share Price	A\$	0.085	
Market Capitalisation	A\$m	58.6	
Cash (21 Aug-24) ⁽²⁾	A\$m	9.3	
Debt (30 Jun-24) ⁽²⁾	A\$m	–	
Investments (30 Jun-24) ⁽³⁾	A\$m	15.5	

BROKER COVERAGE

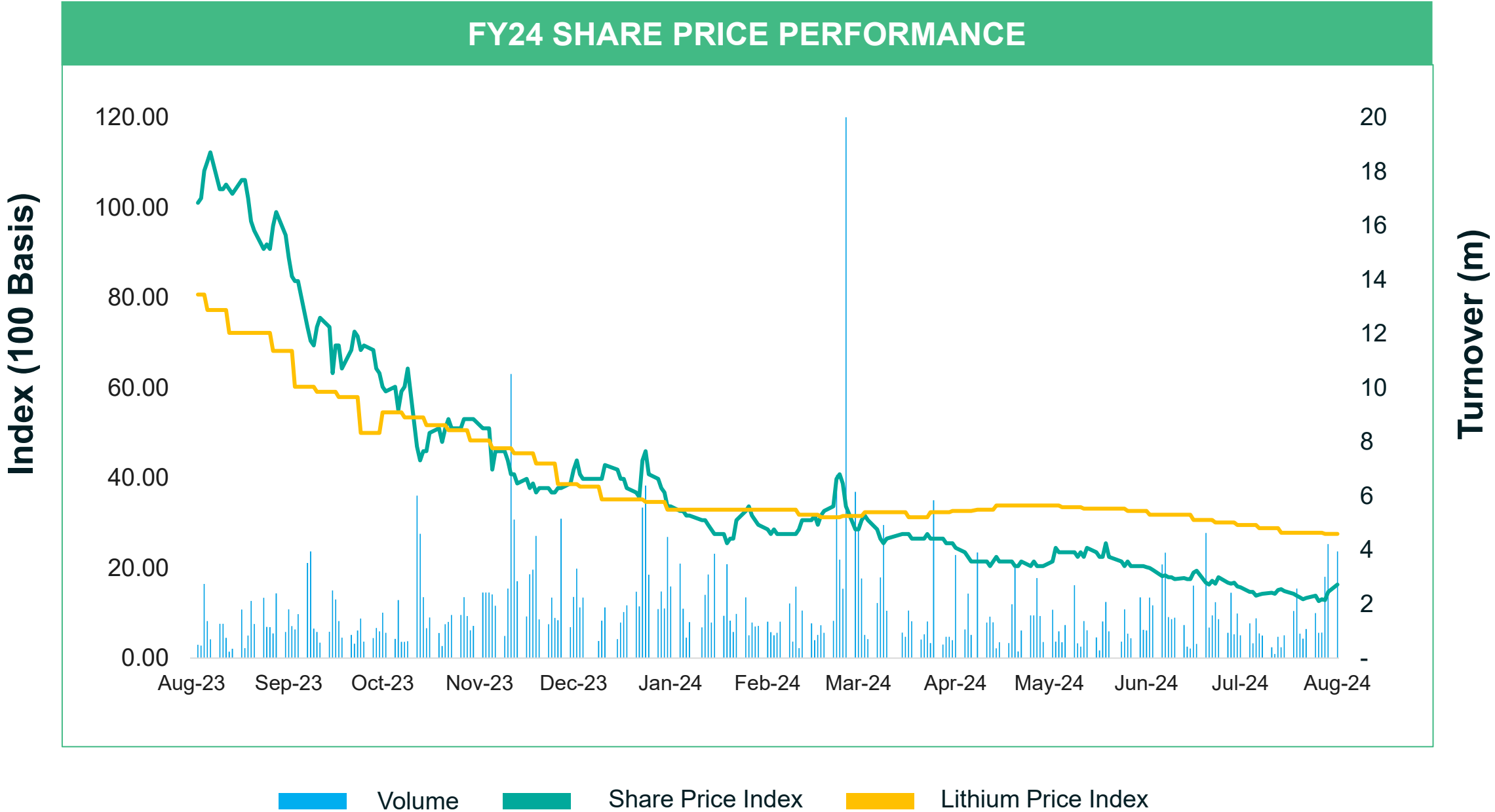
EUROZ HARTLEYS

Cavendish



MAJOR SHAREHOLDERS ⁽⁴⁾	
William Richmond	9.9%
David Reed	4.1%
Top 20	40.1%
No. of Shareholders	12,911

“The decline in battery materials prices over the last 2 years has been challenging, particularly with our strong lithium price correlation as referenced in the diagram below However, the strong fundamentals of our approach to managing EV transition opportunities – cheaper operating costs for owners and lower emissions - remain firmly intact. Our JV recycling business is generating revenue, and the pipeline is growing. We will adjust to this new reality and push through the headwinds.” – Chris Reed



Notes: Market data as at 21 August 2024 (unless otherwise noted)

1. Excludes ~15.2m performance rights

2. NMT Management

3. NMT June Quarterly Report

4. Computershare as at 21 August 2024

5. Supporting information available at <https://www.asx.com.au/markets/company/NMT>

Strong Team and Culture

Experienced executives backed by a board of skilled specialists

Non-executive Board

Steven Cole
Independent
Chairman



40+ years in legal consultancy, corporate management, and diverse board experience including roles at Matrix Composites (ASX:MCE).

Doug Ritchie
Independent
Non-Executive Director



Senior executive with 35+ years, notably with Rio Tinto. Extensive international corporate experience, including China.

Les Guthrie
Independent
Non-Executive Director



40+ years experience in global corporate and project management. Notable roles at BHP, and BG Group.

Key Management

MD/CEO



Chris Reed

20+ years leadership, co-founder
Holds qualifications in commerce and mineral economic



ED/COO



Jennifer Purdie

30+ years leadership across mining, energy, manufacturing sectors. Senior roles at Adani Renewables, Rio Tinto, BHP and Alcoa



Head of Vanadium



Darren Townsend

30+ years leadership across exploration, development and operations including executive roles at Peak Rare Earths, DeGrey Mining and Sons of Gwalia

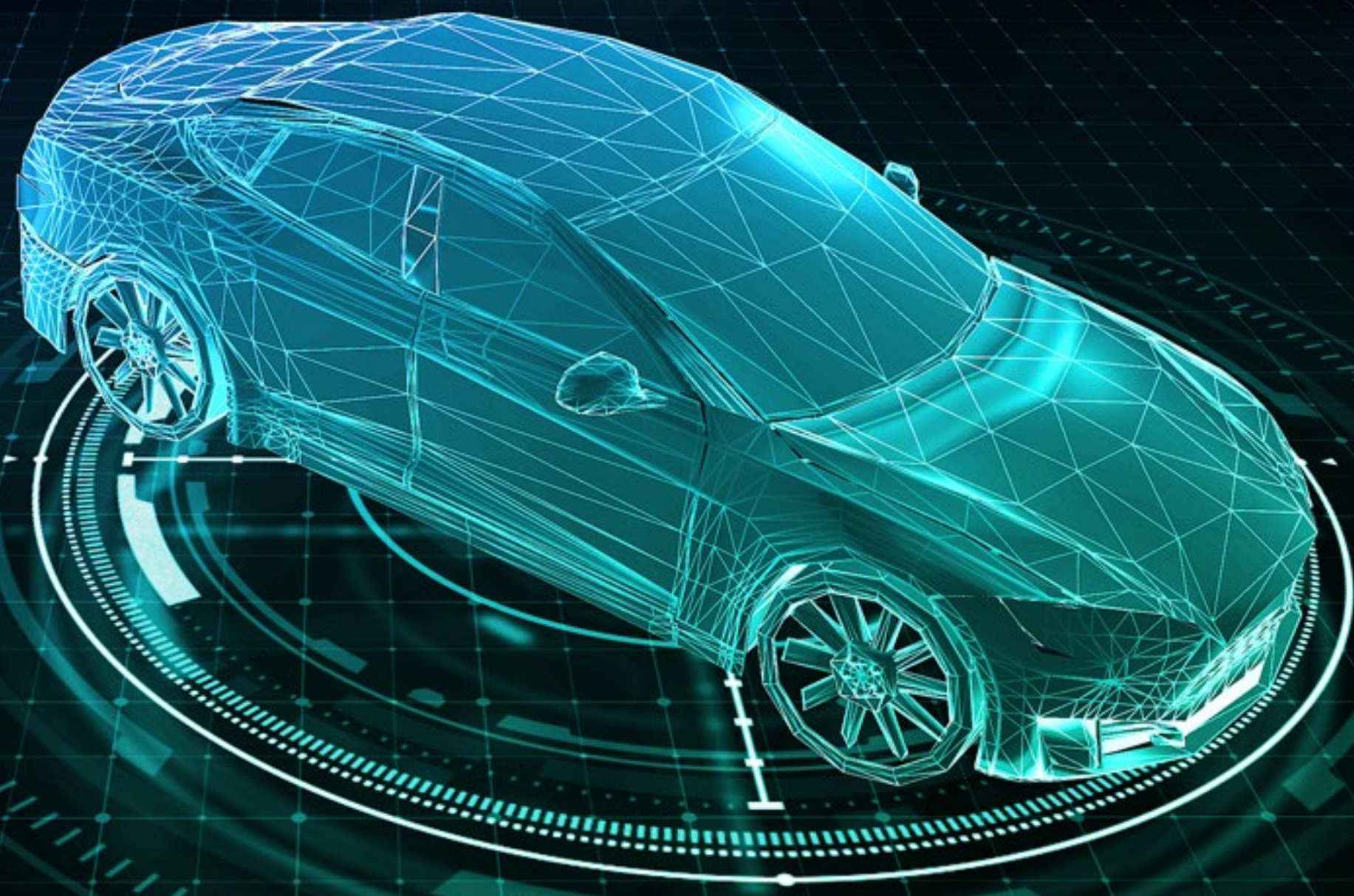
CFO/ Company Secretary



Chris Kelsall



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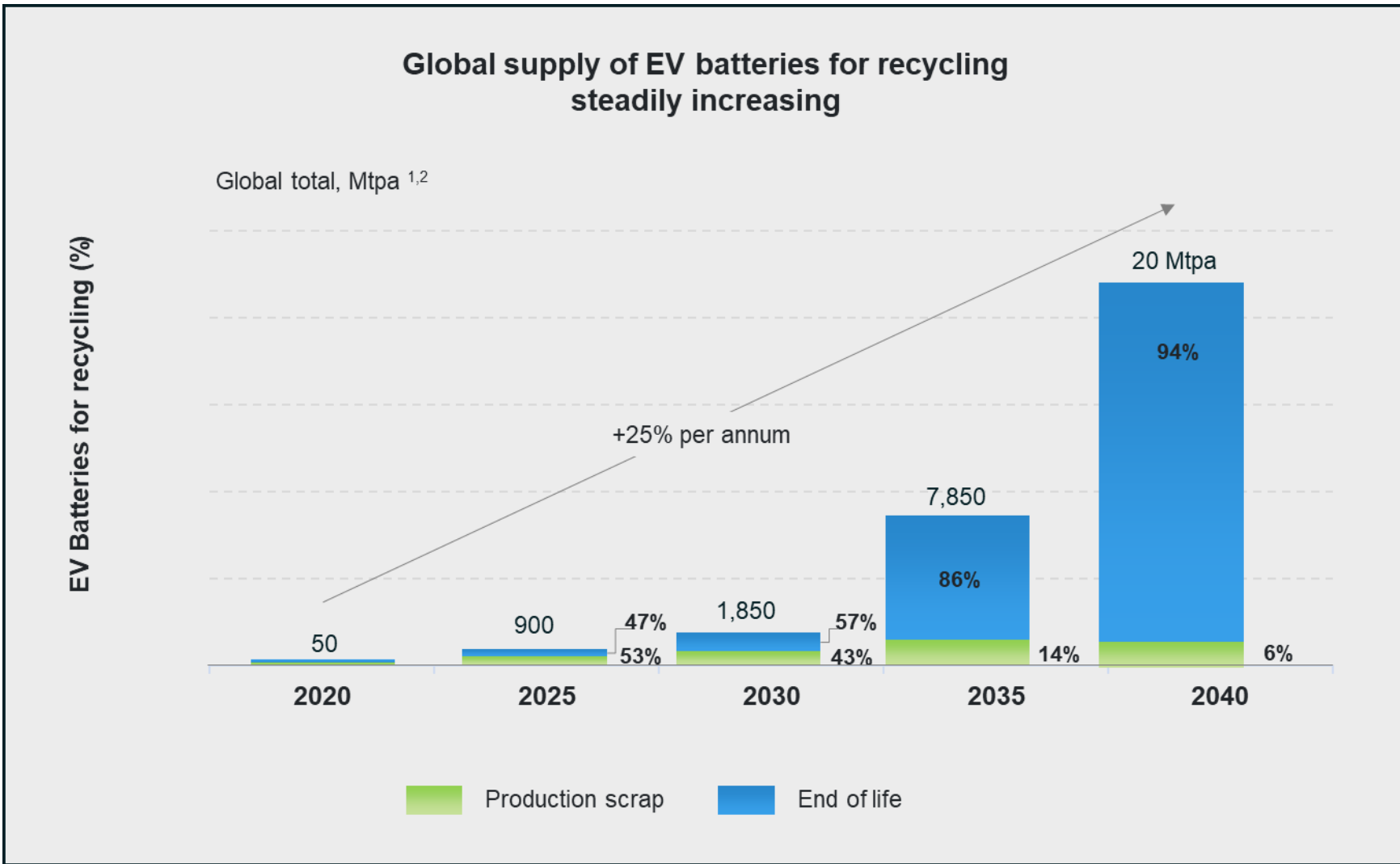
Building world-class
Lithium-ion Battery (LiB)
Recycling Plants

Primobius

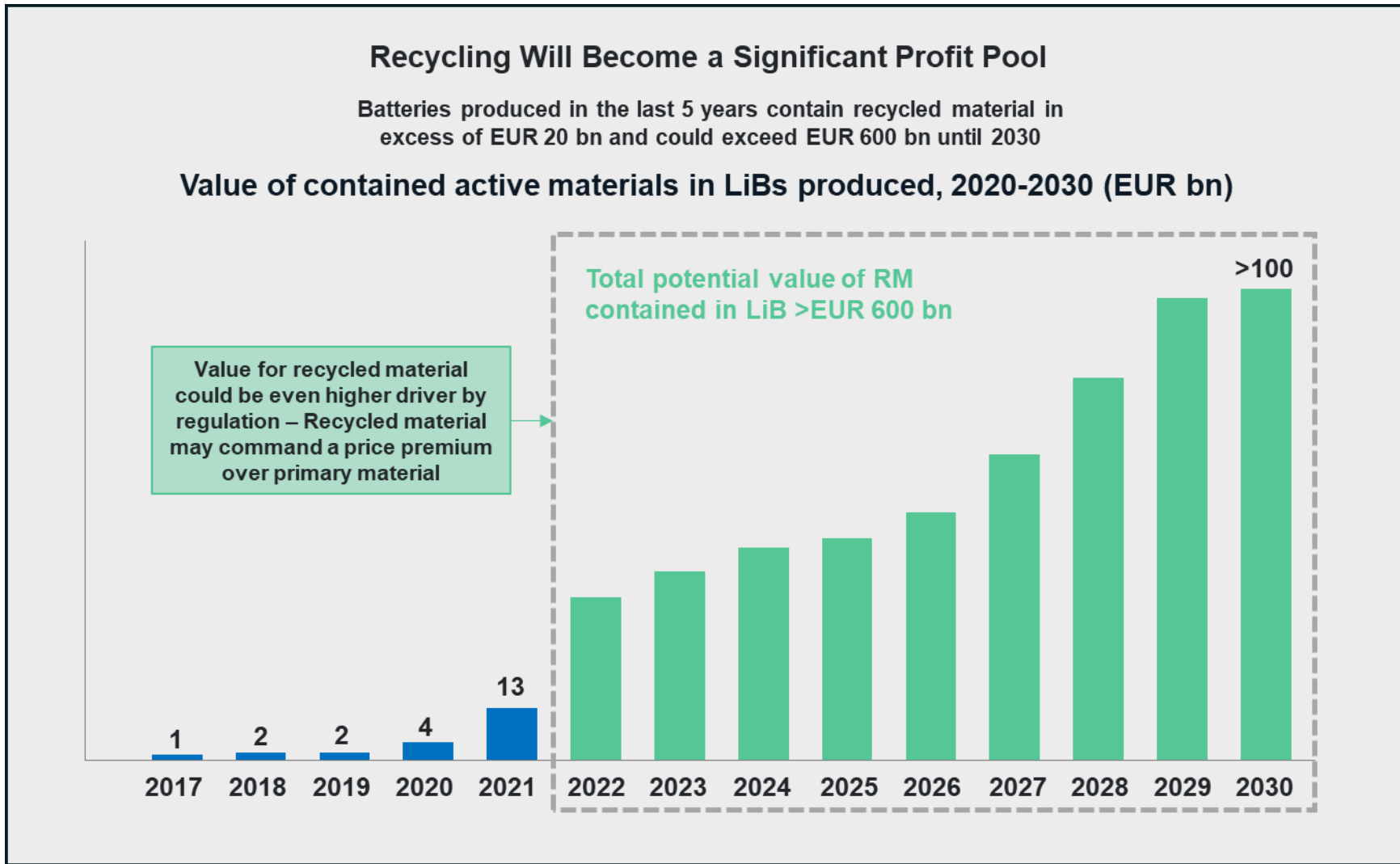


Our TAM is a High Growth, High Value Waste Stream

- Regulatory move to mandatory recycling driven by need for security of supply and environmental sustainability
- Demand for recycling by EV and battery OEM's -25% CAGR driven by production scrap, warranty returns and EOL
- China dominates raw material supply and recycling, Europe and North America underserved



Source: McKinsey Battery Insights (2023)
¹ Numbers are rounded. ² 2023 Q1

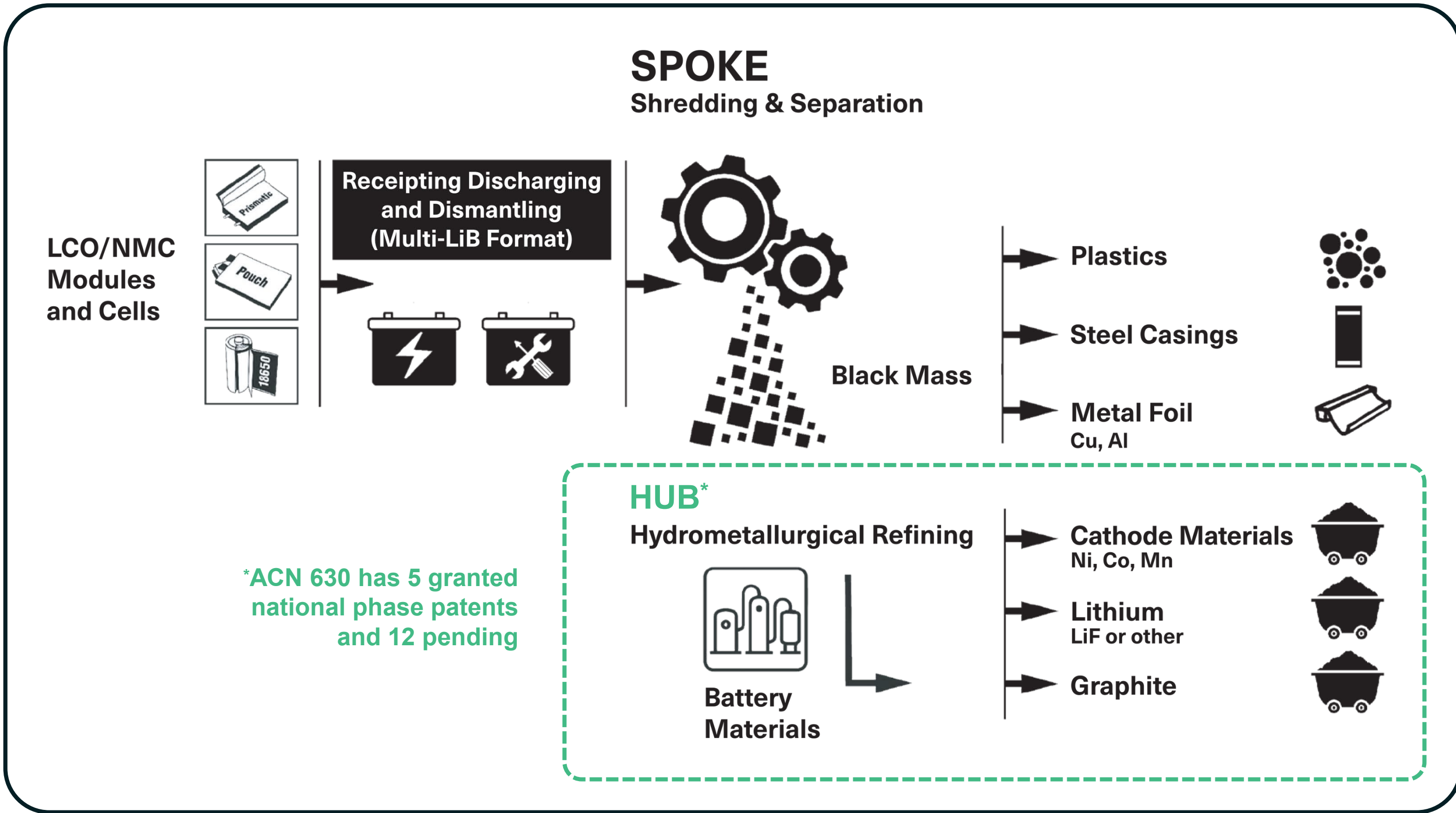


Source: Roland Berger Integrated LiB Demand and Supply Model
Note: Only battery production since 2017 considered, 2022 average spot market prices limited to Li, Ni, Co, Mn



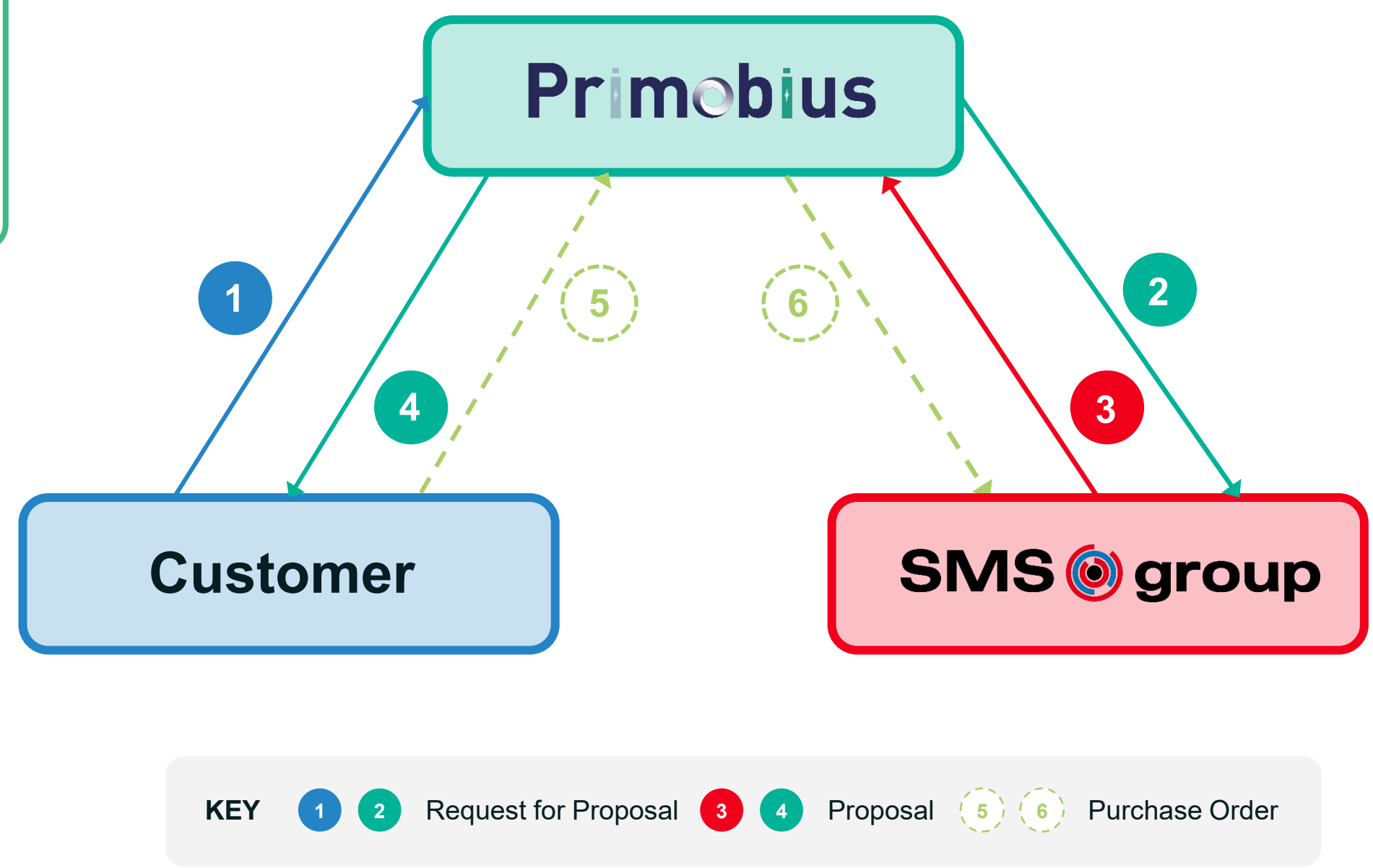
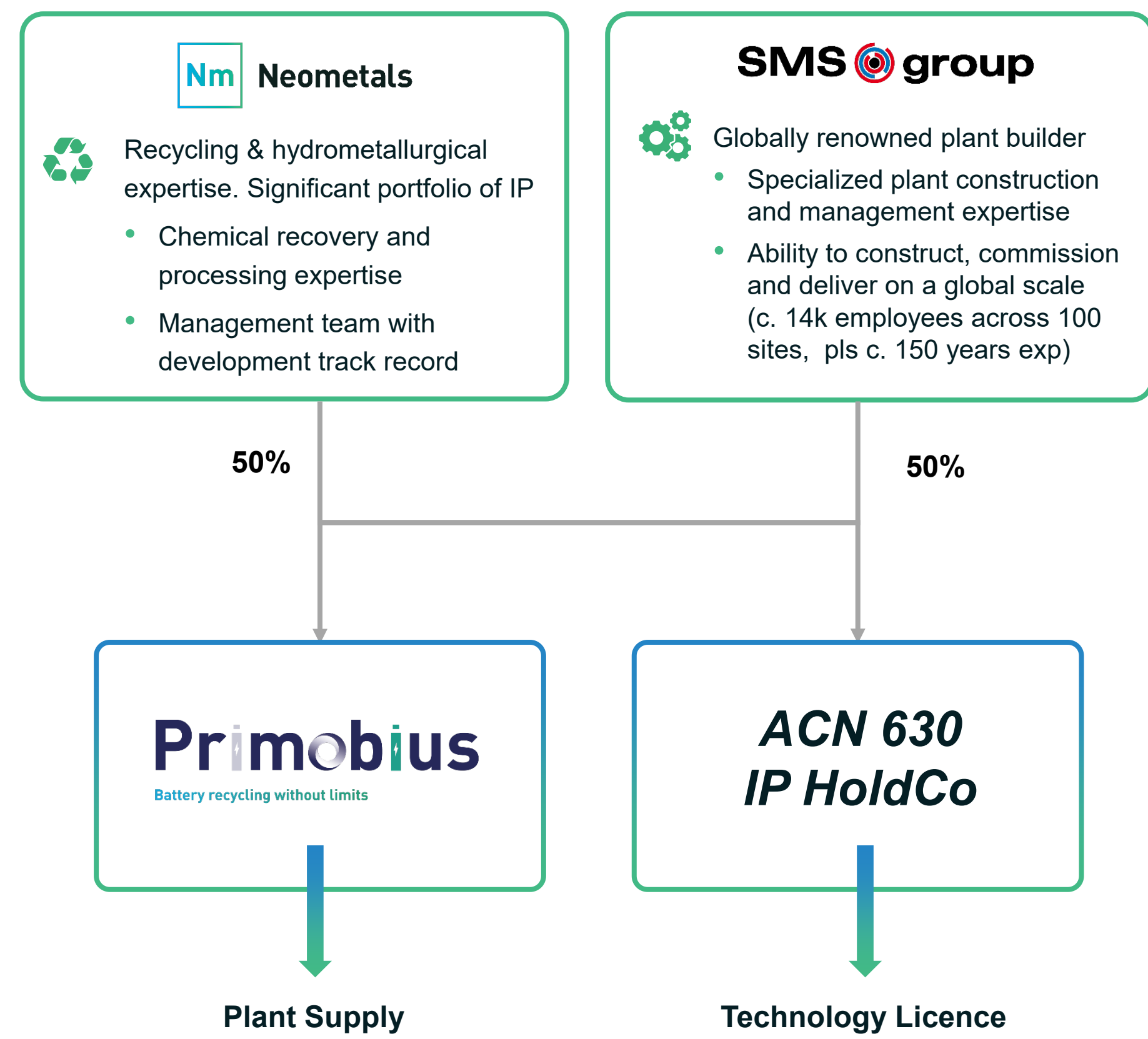
NMT Developed, Highly Efficient, Patented Hydromet Process

Patented, environmentally-friendly process delivers long-term, sustainable competitive advantages



Partnered with a World-class Plant Builder

Synergistic joint venture leveraging complementary skills and experience to deliver best-in-class recycling solutions



Tailored to Satisfy Customer Wants and Needs

- Delivering flexible business models to meet customers wants (flexibility to match recycling offering to strategy)
- Creating solutions to meet customers' economic, regulatory and social needs

Wants

A **Principal**

LiB Disposal Facility
Hilchenbach, Germany

B **Partnership**

Mercedes-Benz Pilot Plant
R&D collaboration

C **Licence**

North America, Balkans, Italy, Ireland, Italy, UK, Scandinavia

Needs

1 **Licence to Operate**

2 **Low Cost**

3 **Low Carbon**

Mercedes-Benz: Industrial Validation

Potential long-life relationship with marquee OEM



Partnership

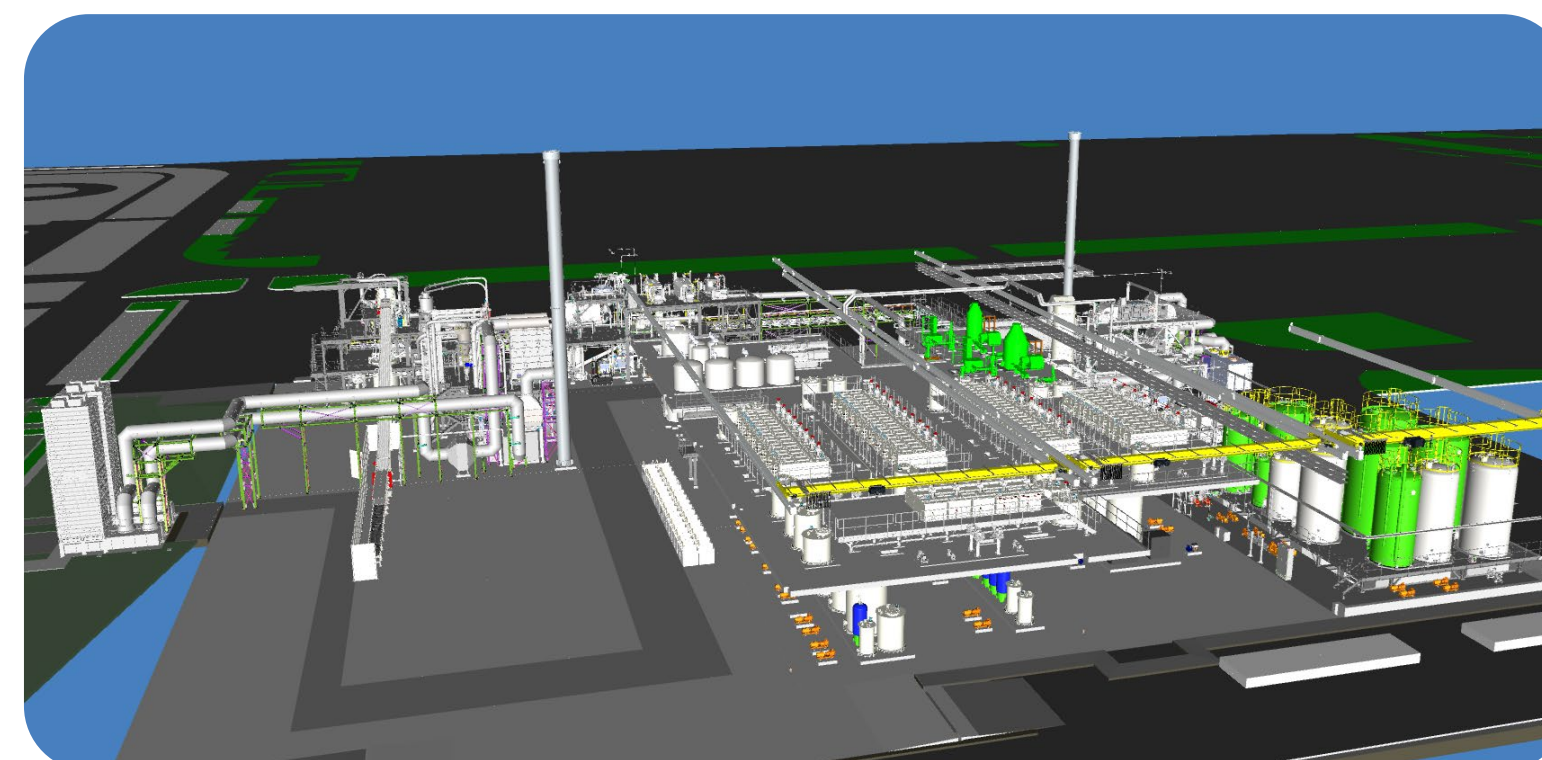


Mercedes-Benz



Cooperation agreement with Mercedes-Benz

- Suppling MB -2,500tpa Integrated Recycling Plant
- Pilot Plant supplied EPC basis, royalty-free
- Long-term (5yr) R&D collaboration
- Industrial-scale plants require commercial licence



Commercial Pipeline

First planned 21,000tpa plant supply and licence into the North American Market for end-of-life EVs



in North America

- Exclusively licensed to Stelco for end-of-life LiB's in North America with exception of German OEMs for a 10% gross revenue royalty⁽¹⁾
- Primobius has option to acquire 25–50% of the equity in Stelco's recycling SPV. If exercised the licence will be royalty free
- Stelco will be responsible for supply of LiB feedstock and the securing of sites for plants

Non-binding MOU's



Japan



Thailand

Technology licencees (10% GSR Royalty)

- Redivium, formerly Hannans Ltd (NMT 26%)
 - Italy, Balkans (exclusive)
 - United Kingdom and Ireland (non-exclusive)
- Critical Metals (NMT 18%)
 - Scandinavia (exclusive), Redivium earning 50%

For full details refer to Neometals ASX release dated 31 December 2021 titled "Primobius to Enter North America with Stelco for Recycling of Electric Vehicle Batteries"

⁽¹⁾ Scope for reductions in the royalty rate depending on IRRs generated, and a minimum royalty fee in cases of stalled recycling production.

For full details refer to Redivium (ASX:RIL) ASX release dated 27 July 2022 titled "Hannans – Improved Acquisition Agreement"



Indicative Commercialisation Plan

- Product readiness defined as Primobius offering plant supply packages to third-parties
- Primobius must have back-to-back contract with SMS for fabrication, installation and commissioning
- MB Pilot Spoke and Hub steady state is condition precedent for Primobius/SMS offers of supply



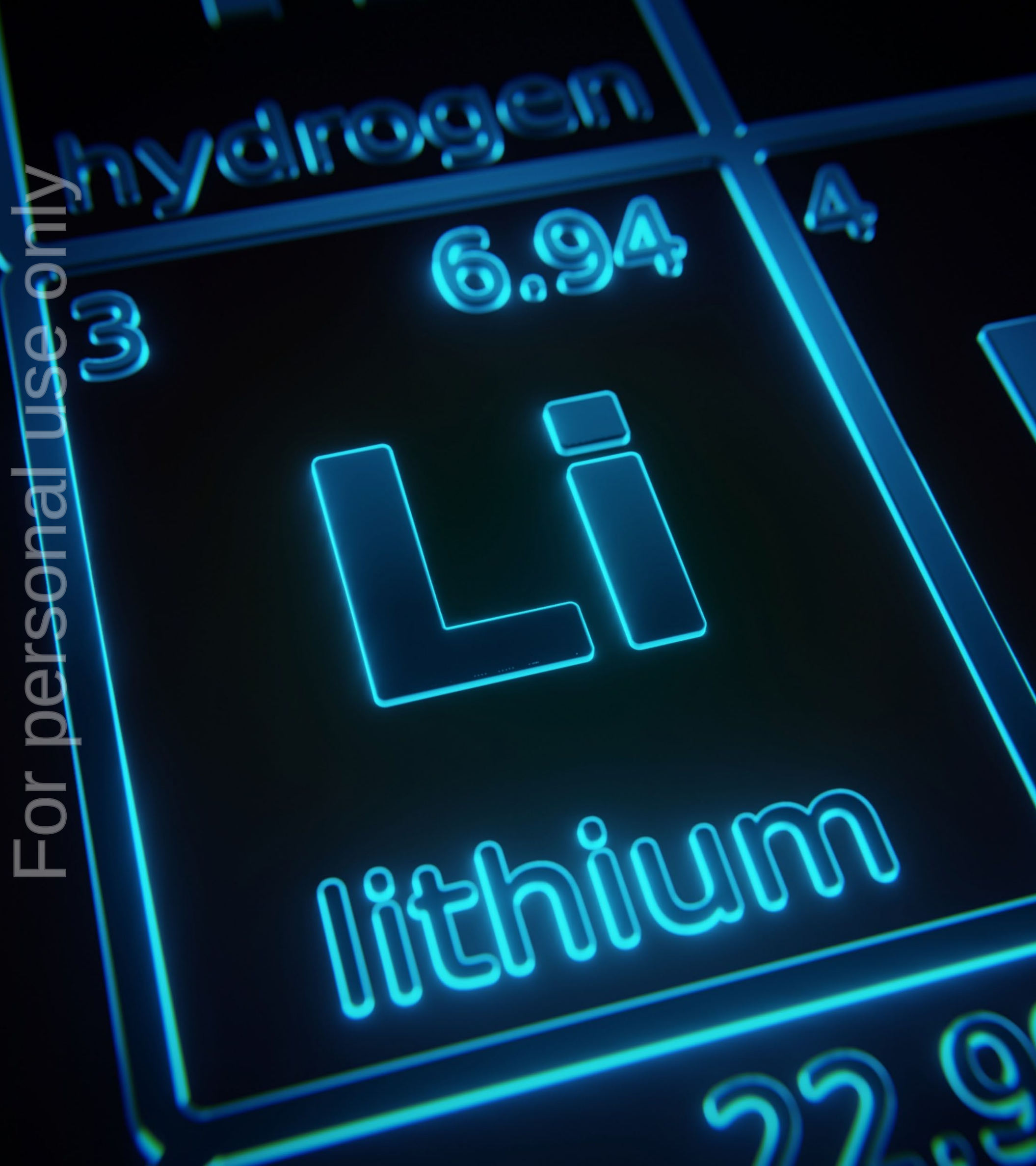
1) The indicative timeline is subject to receipt and confirmation of purchase orders from a third party and Stelco respectively. A purchase order may not be received in accordance with the timeline presented. Primobius does not currently have a contracted or otherwise confirmed purchase order from a third party or Stelco in respect of either plant. The indicative timing is based on Neometals' current expectations regarding when Primobius will be able to offer the relevant plant supply.

2) Timing for the proposed offer to Stelco is subject to further Primobius Board approval.

3) For full details refer to Neometals ASX release dated 31 December 2021 titled "Primobius to Enter North America with Stelco for Recycling of Electric Vehicle Batteries".

4) Scope for reductions in the royalty rate depending on IRRs generated, and a minimum royalty fee in cases of stalled recycling production.

★ Option to acquire ≤50% Stelco LiB Recycling SPV expires 30 June 2025



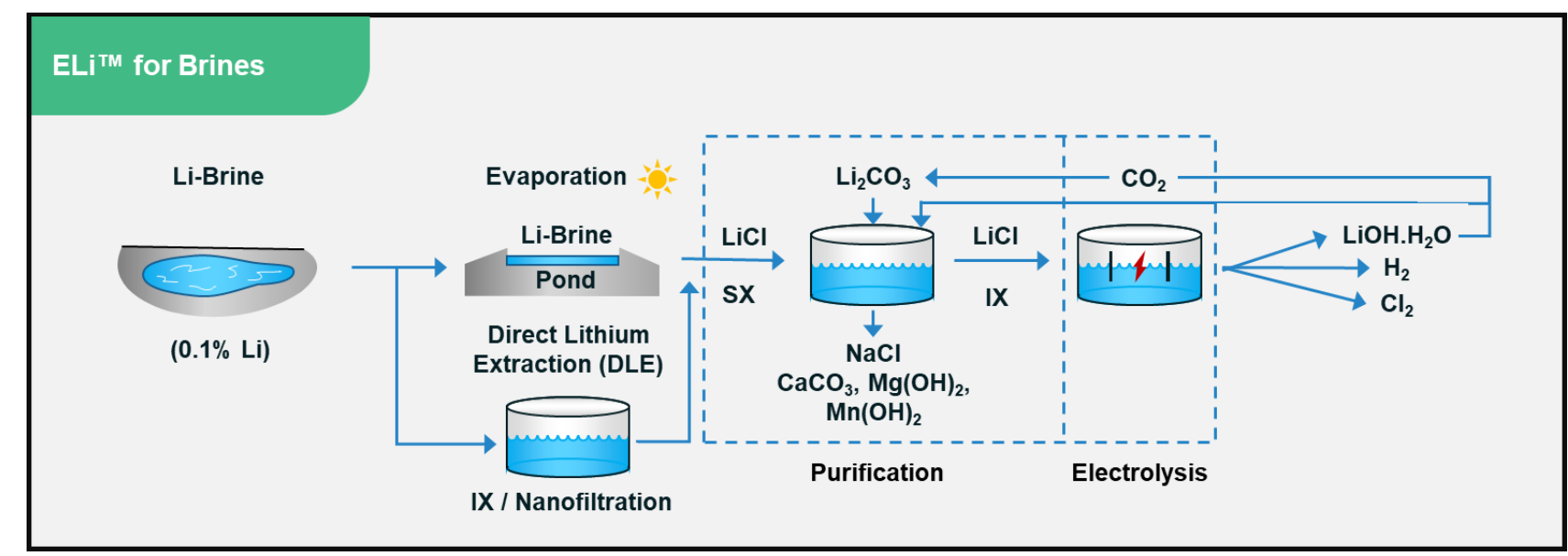
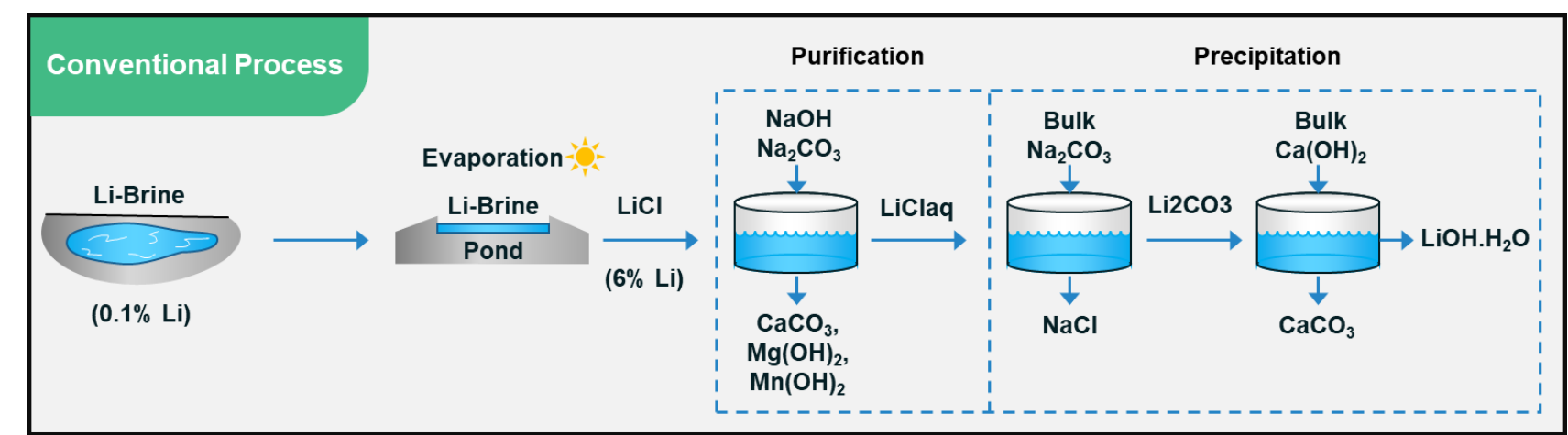
Lithium Chemicals

ELi™ Processing Technology
Reed Advanced Materials ("RAM")
70% Neometals / 30% Mineral Resources Ltd

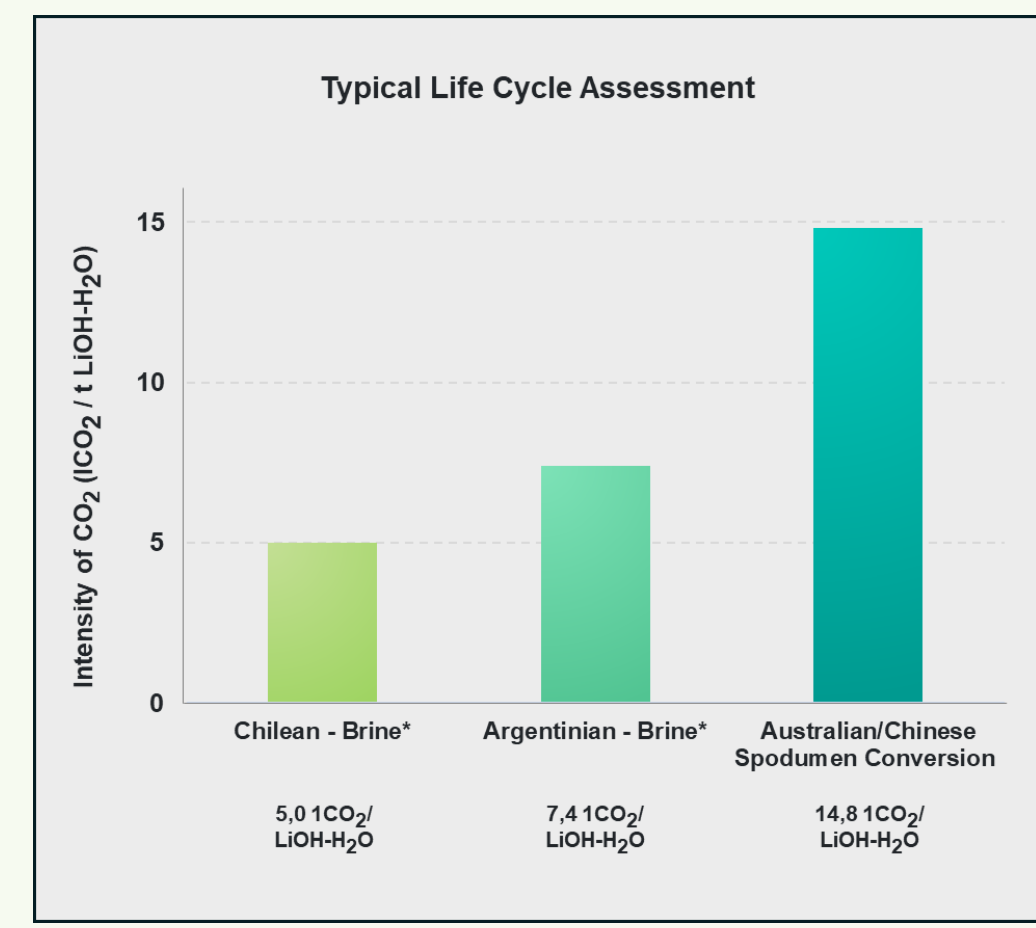
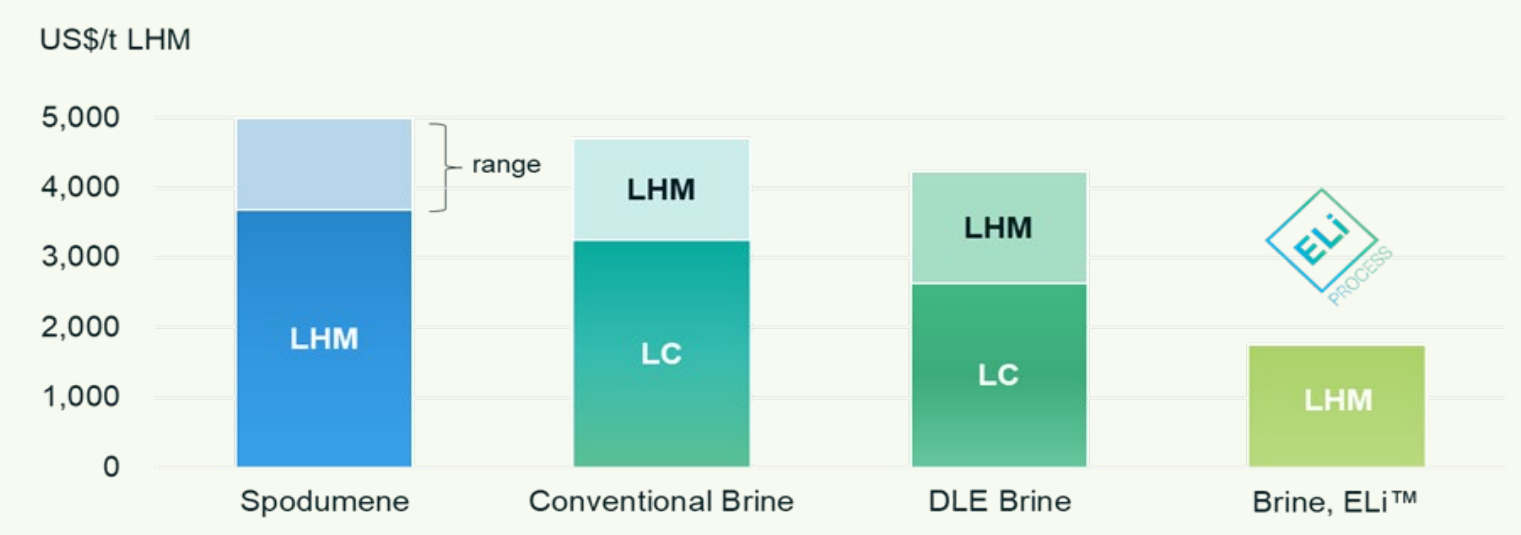
Piloting Lithium Hydroxide Direct from Brines

Low-cost, low-carbon solution for brine and rock feedstocks

- Highly efficient process targets production of battery-quality lithium hydroxide (“LHM”) directly from brine at potentially lowest cost
- Utilises off-the-shelf chlor-alkali equipment
- Electricity enables replacement of imported soda ash/caustic soda reagents and lower carbon footprint
- Long-duration (1,000hr) Pilot complete, results expected 2H2024



Estimated Opex Comparison (Conversion to LHM)



For further information, refer to ASX release dated 10 Nov 2023 - “Successful ELi Purification Pilot Trial”

Source: SQM 2024

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Vanadium Recovery

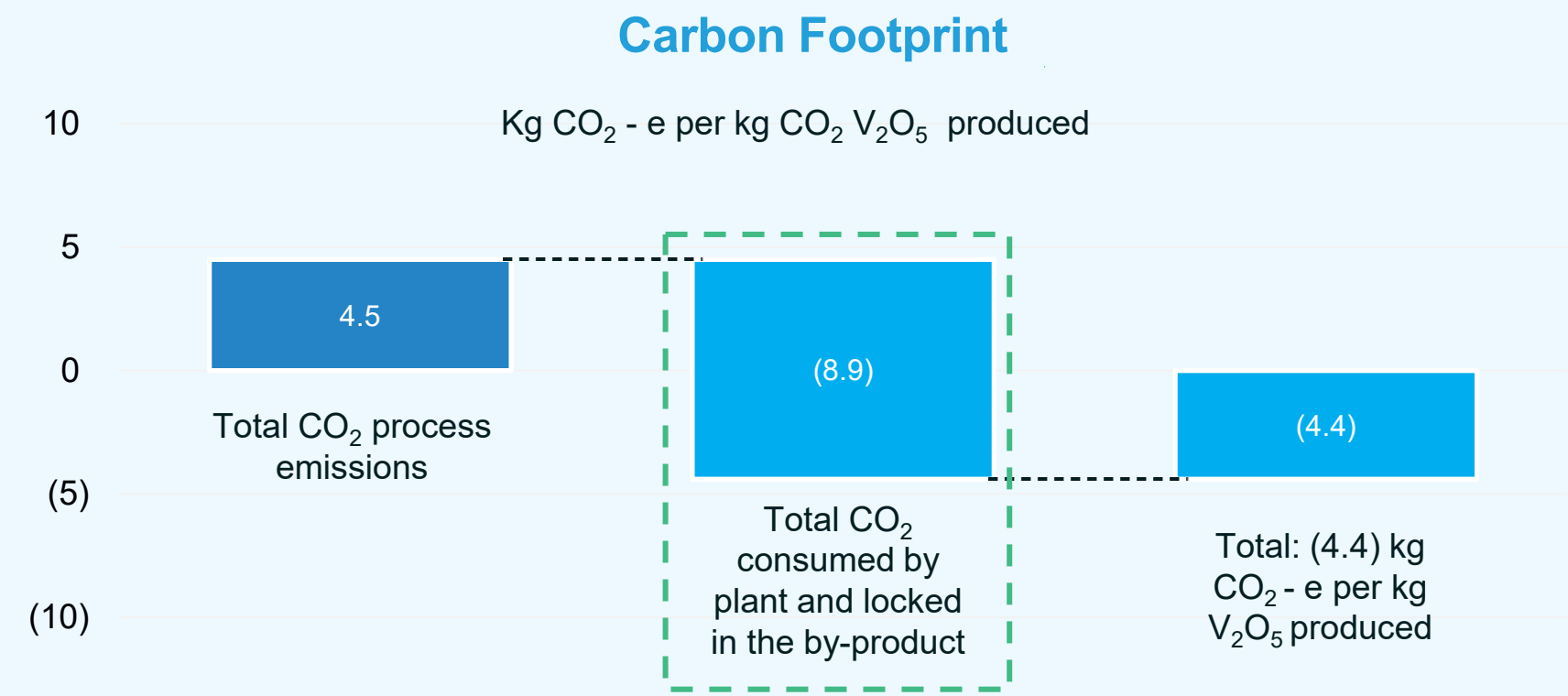
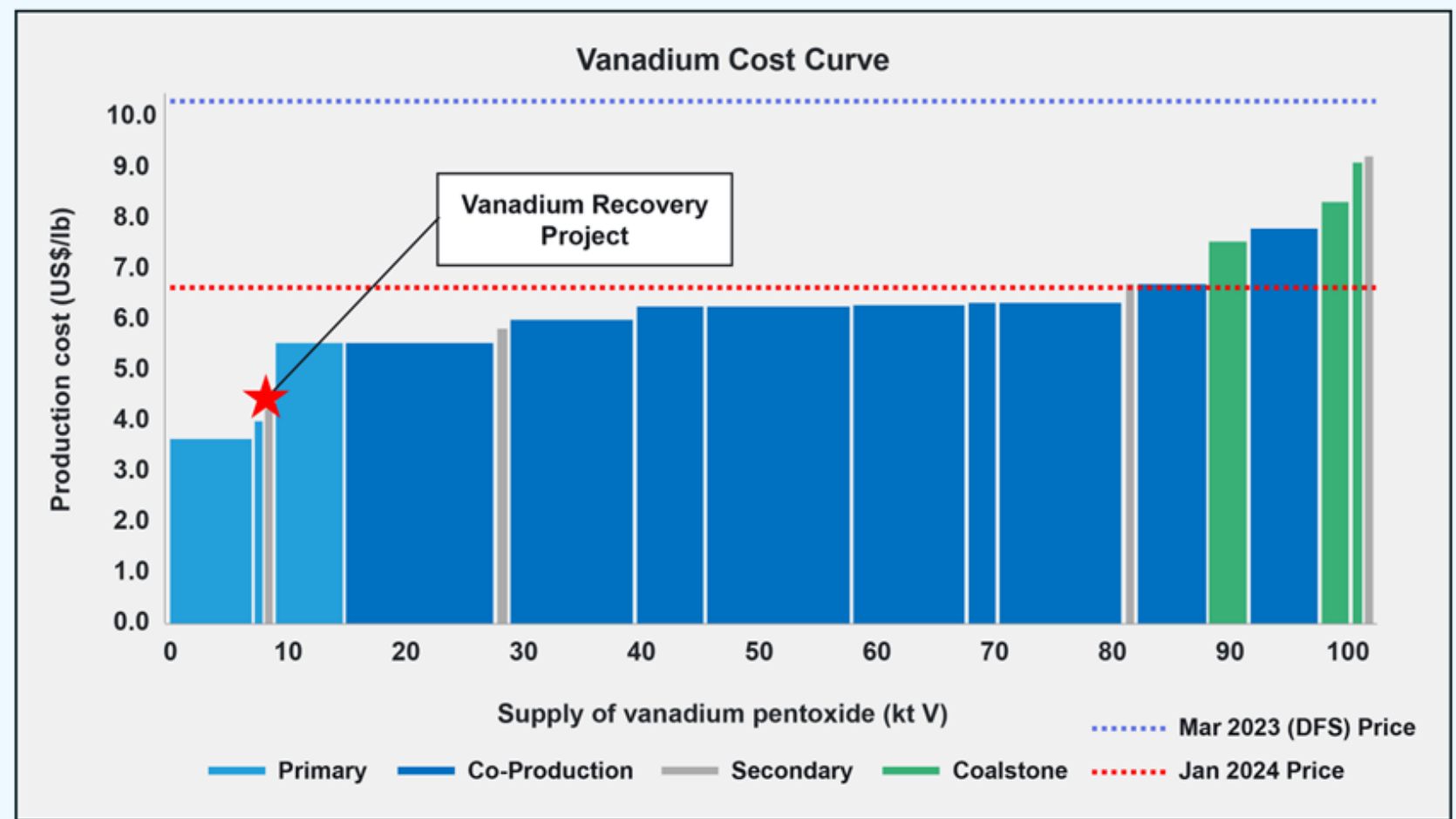
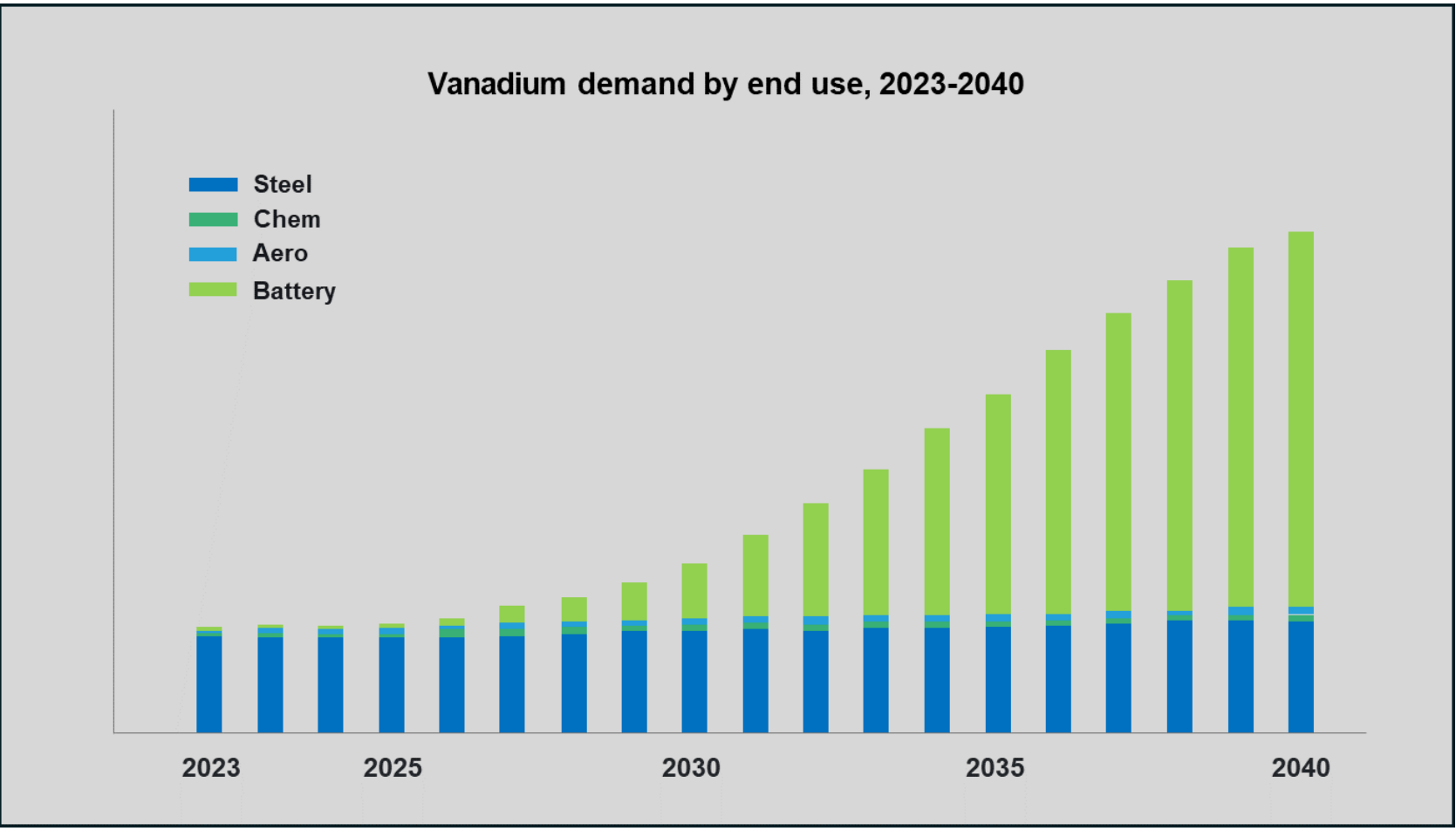
Vanadium Recovery Process Technology
100% Neometals



Fully Piloted, DFS, Environmental Approvals, Offtake

Low-cost, low-carbon process recovers V from steel slag

- EU patent pending, hydrometallurgical process produces high purity (+99.5%) vanadium pentoxide for stationary storage batteries from steel slag
- Conventional equipment configured in a fully-piloted novel process
- Seeking external debt and equity funding to advance project



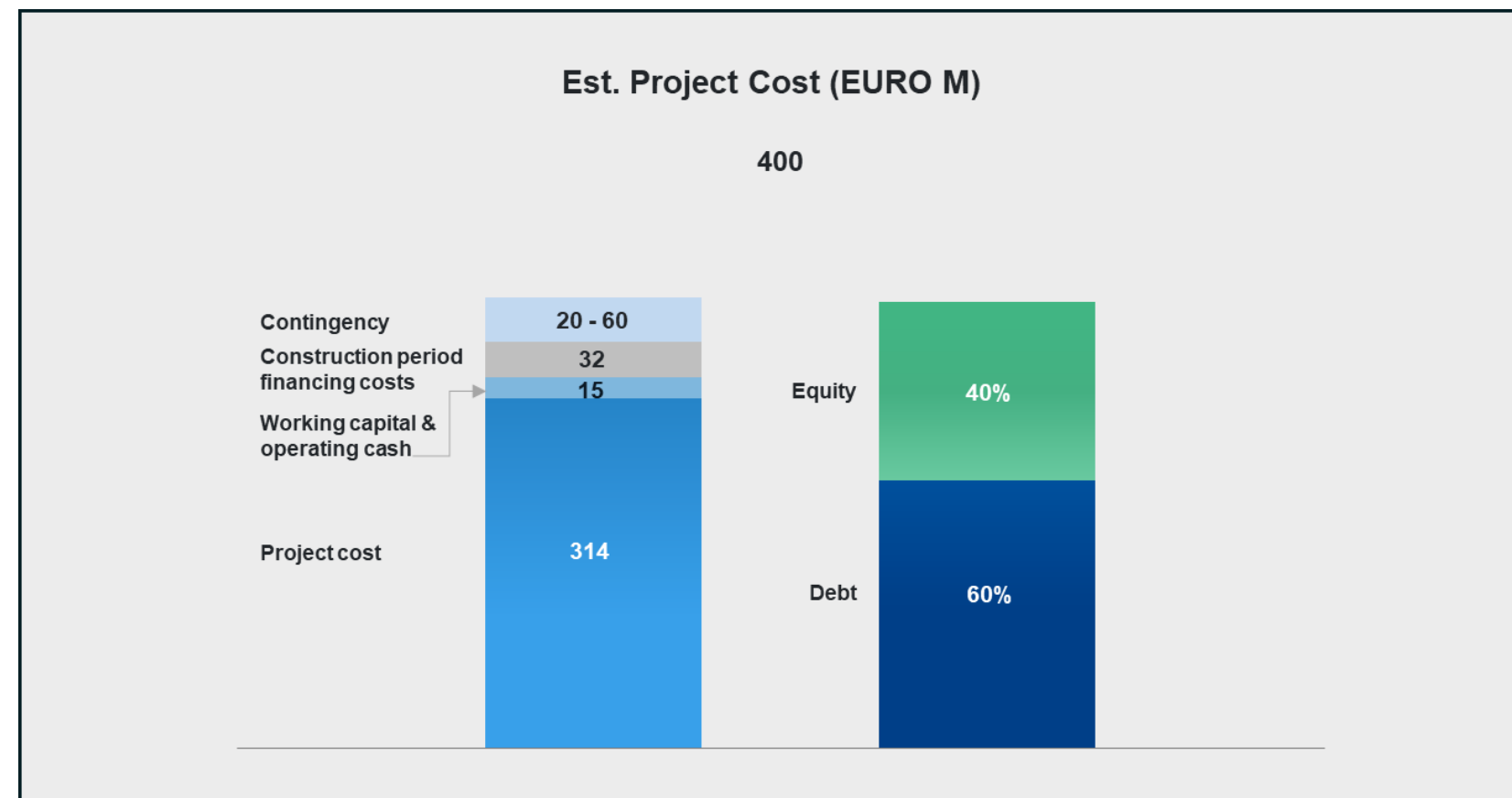
Sources:

LHS:
Wood Mackenzie 2022, Vanitec, Based on CRU market study as of January 2023
RHS:
Vanadium cost curve supplied by Wood Mackenzie
Carbon Footprint image based on data from Life Cycle Assessment report commissioned by Minviro Ltd (16/11/22)

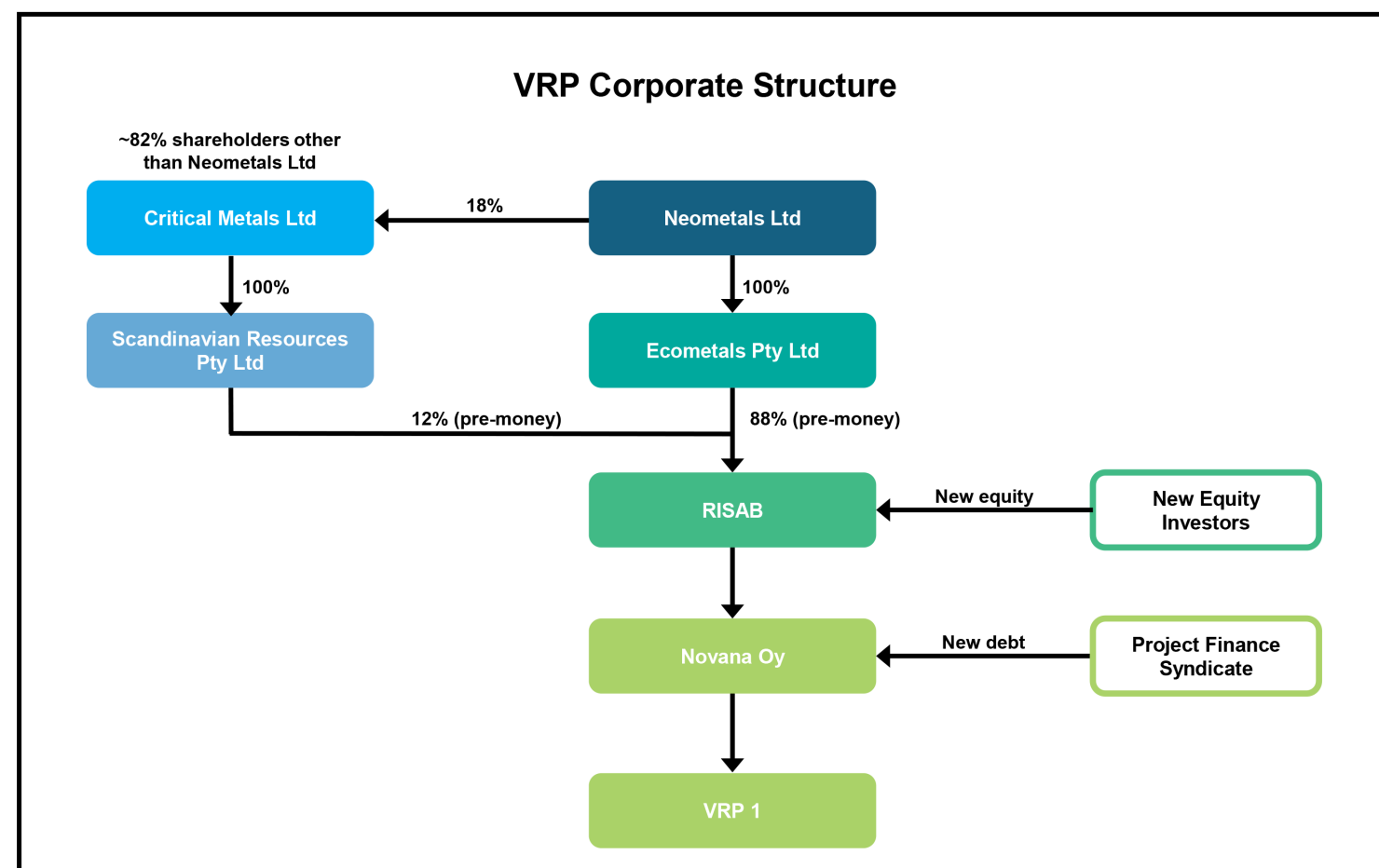
Notes: For further information, refer to ASX release dated 8th March 2023 – Vanadium Recovery Project Delivers Strong Feasibility Results
1. CO₂ emissions are related to e.g. electricity, steam boiler, transport and consumption of other materials
2. Akin to Iron Rich Limestone



Assisting Debt and Equity Financing Discussions



For further information, refer to ASX release dated 8th March 2023 – Vanadium Recovery Project Delivers Strong Feasibility Results



Johanna Lamminen
CEO, Novana



- Highly experienced business leader and board professional
- Experience includes CEO of Gasum, CEO and CFO of Danske Bank Finland, CFO and deputy CEO of Evli and Board Member of Pohjolan Voima and ETLA
- Doctor of Science in industrial management

Key experience:



Darren Townsend
COO, Novana



- Mining Engineer with 30+ years development, mining and corporate experience including managing ASX and TSX listed companies

Key experience:





Barrambie Titanium and Vanadium

Barrambie Titanium and Vanadium Project
100% Neometals

Barrambie Titanium Deposit

Tenement maintenance and preparing for formal divestment process

- One of the highest-grade titanium deposits globally
- Granted mining lease and approval for 1.2Mtpa mining operation
- Ministerial approval to construct up to 3.2Mtpa processing plant - timeframe extension application in progress
- Successful pilot plant production of gravity concentrates, and commercial scale smelting proved value-in-use
- Preparing a gold exploration target for potential separate divestment



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Precious Metals Recovery

Precious Metals Recovery Process Technology



Precious Metals Recovery LLC – Intend to let Option Lapse

Intention to let option lapse:

- Option expiring 31 August 2024 to acquire 80% of Precious Metals Recovery, LLC, private US company with proprietary technology to recover precious metals from industrial waste, for staged total consideration of approximately US\$10M (approximately A\$15.2M), payable by way of a combination of staged cash and equity in Neometals and subject to Neometals' decision as to whether or not to proceed with exercising the option (as informed by the outcome of its due diligence on Precious Metals Recovery, LLC and its business)
- As at 21st August 2024 the intention of the Neometals Board is to let the option lapse in accordance with its terms, on the basis of the reasons described below

Rationale:

- Pilot scale metallurgical test work and preliminary cost estimates have not confirmed technical feasibility and economic viability to the satisfaction of management
- No investment case to exercise option will be tabled before 31 August 2024 and the option will therefore lapse in accordance with its terms.

Summary



Neometals' Unique Value Proposition

Neometals is at the forefront of the low carbon production of critical materials via recycling and recovery from waste



Clear Strategy – To focus on providing sustainable processing technologies for producing critical materials, into a vast growing TAM driven by the energy and policy tailwinds



Environmentally Friendly – Proprietary processes utilising high-value waste and non-conventional feedstocks to reduce burden of traditional mining and processing



Sustainable Competitive Advantage – Leading operating cost and carbon footprint versus mined products



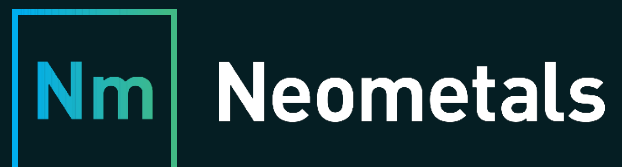
Industrial Validation – From marquee customer Mercedes Benz, JV partner and global plant builder SMS group



Smart Business Models – Supplying turn-key plants under low-capital, low-risk, technology licensing business model (plant supply enables customer profit centres)



Diversification – Multiple exposures to the energy transition and critical materials



Thank you





Appendix

Commodity Forecast Prices from Benchmark Mineral Intelligence 2024

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Lithium Price (US\$ / t, real)	16,525	16,475	18,500	21,500	25,000	39,000	37,500	33,500	30,000	28,980
Nickel Price (US\$ / t, real)	16,945	17,421	17,891	17,954	17,566	18,416	18,416	18,416	18,416	18,416
Cobalt Price (US\$ / t, real)	35,917	36,951	38,971	41,230	41,176	43,956	43,956	43,956	43,956	43,956