Neometals Announce Stunning Vanadium PFS

Neometals (ASX: NMT)

Announced the completion of an Association for the Advancement of Cost Engineering (“AACE”) Class 4 Preliminary-Feasibility Study (“PFS”) on the recovery of high-purity vanadium pentoxide (“V2O5”) from high-grade vanadium-bearing steel by-product (“Slag”).

Neometals Ltd (ASX: NMT) (“Neometals” or “the Company”) is pleased to announce the completion of an Association for the Advancement of Cost Engineering (“AACE”) Class 4 Preliminary-Feasibility Study (“PFS”) on the recovery of high-purity vanadium pentoxide (“V2O5”) from high-grade vanadium-bearing steel by-product (“Slag”).

HIGHLIGHTS

• PFS indicates strong case for recovering vanadium from vanadium-bearing steelmaking by-products in Finland;
• Annual production of 13.4 million pounds of high-purity vanadium pentoxide secured by 10 year supply agreement with Scandinavian steelmaker SSAB;
• Lowest quartile cash cost (US$4.25/pound) with potential to lower with by-product/carbon credits;
• Net Present Value10% of US$230 million and pre-tax IRR of 31% on 100% ownership basis; and
• Completion of Pilot Plant trials and award of Feasibility

Study on schedule for July 2021 to enable potential final investment decision in the second half of 2022.

The PFS was completed with assistance from leading consulting engineers Hatch Pty Ltd.

As announced on the 6th April 2020 (see ASX announcement titled “High-Grade Vanadium Recycling Agreement”),Neometals has the right, subject to funding certain evaluation studies, to enter into a 50:50 incorporated joint venture (“JV”) to develop a
vanadium recovery project with unlisted Scandinavian mineral development company, Critical Metals Ltd (“Critical”) (“Vanadium Recovery Project”).

The parties are jointly evaluating the feasibility of constructing a facility to process and recover high-grade vanadium chemicals from vanadium-bearing steel making by-product generated by SSAB EMEA AB and SSAB Europe Oy (collectively “SSAB”) in Scandinavia.

Neometals is Critical’s largest shareholder, holding approximately 19.8% of its issued capital.

Neometals is extremely encouraged by the outcomes of the PFS which highlights robust economic margins with a first quartile position on the operating cost curve.

The PFS supports Neometals’ strategy to pivot towards more sustainable materials recovery and recycling projects to complement its upstream mineral projects. Given the positive results from the PFS, Neometals is funding the next stage of evaluation studies, comprising completion of a pilot plant (“Pilot”) before commencing a Class 3 AACE Feasibility Study (”FS”).

Critical will advance government and environmental approvals

for the Vanadium Recovery Project and manage the SSAB relationship.

Neometals Management Comments

> “Completion of the PFS is a significant milestone for the Vanadium Recovery Project and its stakeholders. It has confirmed the robust economics of combining this high-grade feed stock with our innovative process flowsheet to deliver some of the highest grade, lowest-cost vanadium chemicals globally with a zero-carbon footprint.
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> “I’d like to commend our team and partner, Critical, the collaborative relationship has delivered a realistic and realisable project which can provide this emerging critical battery material into Europe from existing industrial by-products, truly embracing their circular-economy desires.”
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> **Neometals Managing Director Chris Reed.**

This news release has been abridged for brevity. To read the full news release, please click HERE

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