

Neometals completes lithium battery recycling study highlights

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NEOMETALS COMPLETES LITHIUM BATTERY RECYCLING STUDY HIGHLIGHTS

Neometals completes 'proof of scale' test work at its facilities in Montreal, Canada on co-developed, proprietary process to recover Cobalt from Lithium Ion Batteries from consumer electronic devices.

Preliminary Engineering Cost Study supports business case to accelerate commercialisation of the technology

Projected operating cost of US\$4.45/lb contained Cobalt.

Neometals Ltd {ASX: NMT} is pleased to announce that, in line with its strategy to diversify into the downstream lithium/battery material supply chain, it will continue to advance its opportunity to focus on processing used lithium ion batteries to recover high value materials.

With rapid increases in global production of lithium-ion

batteries, of which more than 50% contain lithium-cobalt chemistry, Neometals has co-developed a technology to economically recover high-value cobalt (99.2% recovery) as a material that can be re-cycled within the battery manufacturing chain. The cobalt supply chain is under some stress due to the rapid increase in demand from battery manufacturing and a supply chain that is dominated by co-production and high sovereign risk resource locations. Currently less than 5% of used lithium-ion batteries are recycled as disposal is typically either paid-for recycling or landfill.

Neometals completed laboratory scale test work on 100kg of spent lithium-ion laptop and phone batteries (containing an average of 19.8% Co) and engaged Sedgman to complete an Engineering Cost Study on a small scale plant using the technology. Results from the study, outlined in Appendix 1, have indicated strong potential for a viable processing operation via a modular plant to initially recover saleable Cobalt product from used lithium-ion batteries.

Neometals has a dedicated subsidiary, Urban Mining Pty Ltd, to hold its interest in the intellectual property and manage the commercialisation of the technology.

Immediate plans involve investing in a continuous operation, pilot-scale hydrometallurgical plant at NMT's Montreal laboratory to accelerate the evaluation of the recovery of high-purity Cobalt and future recovery of lithium, nickel, copper and aluminium.

Subject to the success of the mini-pilot/pilot scale testwork, it is Neometals' intention to proceed with a feasibility study as recommended by Sedgman in the Engineering Cost Study. The proposed work plan will be funded internally, with an expected date of completion in December 2017.

The currently preferred project development strategy is to advance the technical and economic evaluation in parallel with ongoing discussions with potential partners to fast track the development of a commercial scale plant. Neometals has internal financial resources with which to fund evaluation, construction and commissioning of the commercial-scale plant and will seek partners with complementary skill sets.

The Scoping Study has identified many opportunities to further improve the economics by optimising factors such as recovery of other battery materials beyond cobalt such as lithium, nickel, copper and aluminium oxide products.

Neometals Managing Director, Chris Reed, commented: *"With the Mt Marion Lithium Project successfully in production, Neometals' can extend its strategic focus to opportunities in the higher margin, downstream opportunities in the lithium value chain where we can apply our knowledge and technology portfolio. Here the opportunity is to provide an environmentally and ethically responsible, end-of-life solution - by recycling the lithium units we produce – urban mining.*

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For further information, please contact:

Competent Persons Statement

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