Neometals sign MOU regarding lithium refinery in India

Neometals Ltd {(ASX: NMT}

Announced that it has entered into a binding MOU with Indian company Manikaran Power Limited to jointly fund the evaluation of developing the first lithium refinery in India.

Manikaran is the third-largest power trading and diversified renewable energy company in India.

Neometals Ltd (ASX: NMT) (“Neometals” or “the Company”) is pleased to announce that it has entered into a

binding memorandum of understanding (“MOU”) with Indian company Manikaran Power Limited (“Manikaran”) to jointly fund the evaluation of developing the first lithium refinery in India (“Lithium Refinery”). Manikaran is the third-largest power trading and diversified renewable energy company in India.

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HIGHLIGHTS

• MOU with leading Indian power conglomerate to jointly evaluate the development of a lithium refinery in India
• Parties to share test-work and evaluation costs for battery grade lithium chemical production
• Opportunity for Neometals to leverage its valuable Mt Marion offtake option and lithium industry experience

The parties have agreed to contribute their respective skills, resources and know-how towards achieving a positive outcome from the evaluation activities and to share costs equally.

Upon completion of the feasibility analysis, 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 Lithium Refinery.

A positive FID and formal JV commitment would see Neometals contributing to the venture its ‘life-of-mine’ offtake option volume (i.e.up to 57,000 tons per annum of 6% spodumene concentrate) (“Offtake Option”) retained as part of the Mt Marion equity
sale agreement (see ASX announcement dated 15th March 2019).

Additional spodumene feed would be sourced as required from external sources to meet the Lithium Refinery’s needs depending on its nameplate capacity. In the event of a positive FID and formation of a JV, 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 support.

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