



INTENTION TO DEMERGE MT EDWARDS NICKEL PROJECT

HIGHLIGHTS

- Mt Edwards Nickel Project to be demerged into a new company, “Widgie Nickel Limited”. Post demerger, Widgie Nickel will seek to list on ASX;
- Eligible Neometals shareholders to receive new Widgie Nickel shares (at no cost) on a pro rata basis in proportion to their existing Neometals shareholding via a capital reduction and in-specie distribution, subject to Neometals shareholder approval among other things;
- Post demerger, Widgie Nickel shareholders will be entitled to participate in an entitlement offer to subscribe for additional Widgie Nickel shares;
- Post demerger and entitlement offer, Widgie Nickel will have dedicated resources and capital to realise Mt Edwards’ long-term latent value allowing Neometals to focus on its core ‘battery materials’ projects; and
- ASX listing of Widgie Nickel is expected to occur by Q4 in 2021, with further information to be released in the coming weeks.

Neometals Ltd (ASX: NMT) (“Neometals” or “the Company”) is pleased to announce its intention to demerge its Mt Edwards Nickel Project (“Mt Edwards Project”) into a dedicated nickel exploration and development company to be called Widgie Nickel Limited (“Widgie Nickel”).

The Mt Edwards Project contains a material estimated Mineral Resource inventory of 162,000 tonnes of contained nickel (refer to Table 1) across 11 deposits and, after careful consideration of the various strategic options available to realise value for Neometals shareholders, the Neometals board, subject to certain conditions, has approved the proposed demerger (“Demerger”).

Neometals’ Managing Director, Chris Reed said:

“The demerger and return of our Mt Edwards asset offers existing Neometals shareholders the opportunity to realise the inherent long-term value of this exciting development story in a discrete, nickel focussed corporate vehicle.

Widgie Nickel has a number of very exciting deposits located on the Widgiemooltha Dome, a world class nickel sulphide camp that has hosted more than seven historical nickel mines and hosts Australia’s newest high-grade nickel mine being developed less than a kilometre from our southern tenure. These assets are highly deserving of their own time and attention, and the recent metallurgical results from just one of the deposits that revealed high grade palladium reporting to concentrate demonstrates just some of what can be achieved with a dedicated focus. Widgie Nickel is strongly leveraged to both the world economic recovery and the electrification of transport which will drive increasing product demand from both the traditional steel and lithium battery sectors.

The Neometals Board considers it is the best outcome for shareholders that a new, independent entity is established to devote the technical, human and financial resources that the Mt Edwards Project deserves. We are excited by what Widgie Nickel can achieve with the assets. A capital reduction and in-specie distribution to Neometals shareholders will provide a direct level of participation in a new nickel-focussed business, while Neometals remains focused on the Lithium-ion Battery Recycling JV (Primobius GmbH), the Scandinavian Vanadium Recovery Project and the Barrambie Titanium Project.”

Demerger Mechanics

The Demerger remains subject to, among other things, Neometals shareholder approval. The notice of meeting seeking to obtain shareholder approval for the Demerger is expected to be released in the coming weeks. The notice of meeting will summarise the advantages and disadvantages of the Demerger, key risk factors and key dates for the proposed Demerger.

If the Demerger conditions are satisfied, Neometals will distribute 100% of the Widgie Nickel shares on issue to Neometals shareholders via a capital reduction and in-specie distribution of those shares, pro rata to their shareholding in Neometals on a record date to be determined by the Neometals board ("**In-Specie Distribution**"). Following completion of the In-Specie Distribution, Widgie Nickel proposes to complete a capital raising via an underwritten pro rata entitlement offer ("**Entitlement Issue**") to those shareholders on its share register on a record date shortly after the Demerger, giving them the right (but not the obligation) to invest further in the advancement of Widgie Nickel's exploration and development assets. In conjunction with the Entitlement Issue, Widgie Nickel will also apply for admission to the official list of the Australian Securities Exchange ("**ASX**") and for quotation of its shares on ASX.

Neometals is in advanced discussions with a proposed underwriter of the Entitlement Issue.

Neometals has applied for a demerger relief class ruling from the Australian Tax Office ("**ATO**") pursuant to Division 125 of the *Income Tax Assessment Act 1997* (Cth) amongst other matters. The launch of the proposed Demerger remains subject to final approval from the Neometals' board. Neometals reserves the right to amend the proposed terms of, or not proceed with, the Demerger in its absolute discretion.

Ahead of Widgie Nickel's proposed ASX listing by Q4 in 2021, a highly capable Board and management team is being assembled to run Widgie Nickel. Further updates and information on the strategy and management of Widgie Nickel will be released with the notice of meeting seeking shareholder approval for the Demerger.

About the Mt Edwards Project

The Mt Edwards Project consists of 49 granted and pending mining tenements.

The Mt Edwards Project is centred around the small township of Widgiemooltha, located 90 kilometres south of Kalgoorlie and 35km west of Kambalda in Western Australia. The Mt Edwards Project spans approximately 50 kilometres of strike length across the Widgiemooltha Dome. The Widgiemooltha Dome is a world class nickel sulphide camp that hosts more than seven historical nickel mines with a new mine, Mincor Resources NL's flagship Cassini operation, recently commencing production.

The Mt Edwards Project contains a global Mineral Resources of 10.2 million tonnes at 1.6% nickel for 162,510 tonnes of contained nickel across 11 deposits (refer to Table 1 on next page).

Since acquisition in 2018, Neometals' has been reviewing and advancing the Mineral Resources at the Mt Edwards Project to provide a sound basis for mining studies to evaluate the development of a number of short lead-time nickel sulphide deposits. These have now progressed to the point where a stand-alone nickel focussed exploration and development company is the optimal structure to take the development forward to the next stage, and ultimately with a goal of entering production in the coming years.

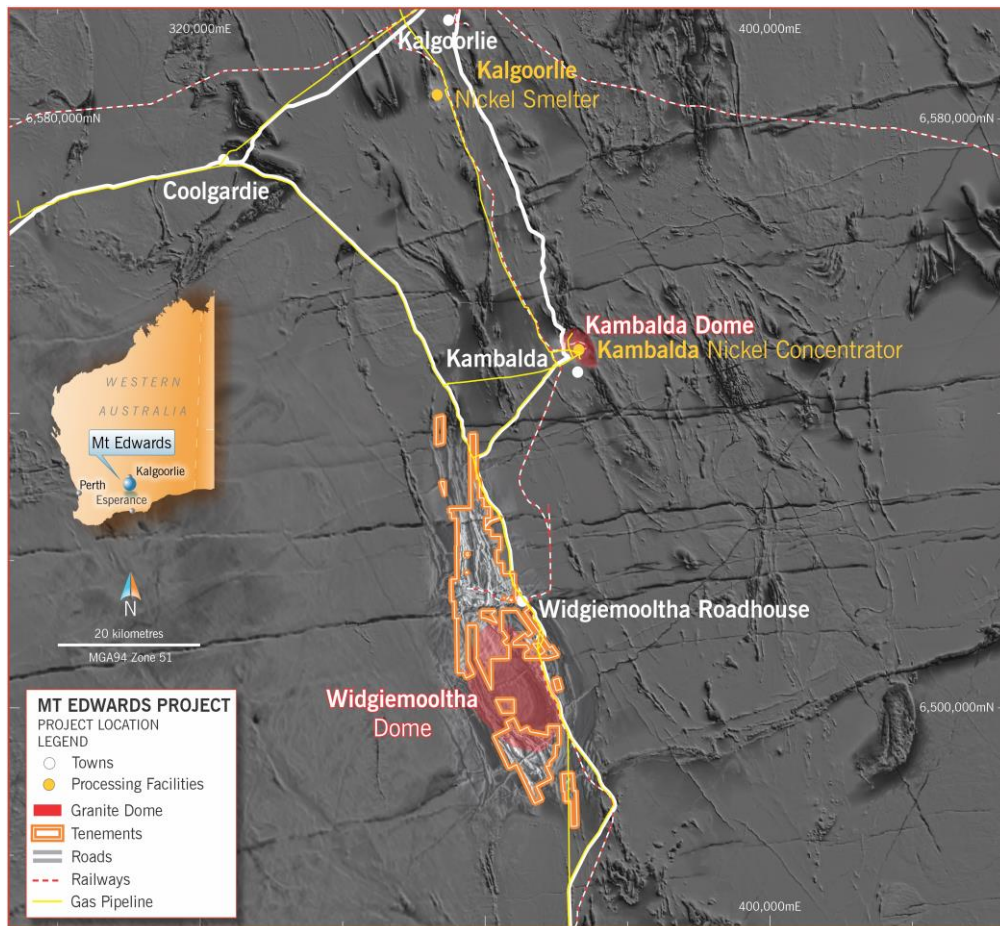


Figure 1 - Mt Edwards Project tenure relative to Kalgoorlie and the Kambalda Nickel Concentrator.

Table 1 - Mt Edwards Project Global Nickel Mineral Resource

Deposit	Indicated		Inferred		TOTAL Mineral Resources		
	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Tonne (kt)	Nickel (%)	Nickel Tonnes
Widgie 3 ²			625	1.5	625	1.5	9,160
Gillett ⁵			1,306	1.7	1,306	1.7	22,500
Widgie Townsite ⁹	1,183	1.7	1,293	1.5	2,476	1.6	39,300
Munda ³			320	2.2	320	2.2	7,140
Mt Edwards 26N ¹⁰			871	1.4	871	1.4	12,400
132N ⁶	34	2.9	426	1.9	460	2.0	9,050
Cooke ¹			150	1.3	150	1.3	1,950
Armstrong ⁴	526	2.1	107	2.0	633	2.1	13,200
McEwen ⁸			1,133	1.4	1,133	1.4	15,340
Hangingwall ⁸			1,916	1.4	1,916	1.4	26,110
Zabel ^{7&8}	272	1.9	53	2.0	325	2.0	6,360
TOTAL	2,015	1.9	8,200	1.5	10,215	1.6	162,510

Mineral Resources quoted using a 1% Ni block cut-off grade, except Munda at 1.5% Ni. Small discrepancies may occur due to rounding

Note 1. refer announcement on the ASX: NMT 19 April 2018 titled Mt Edwards Nickel - Mineral Resource Estimate

Note 2. refer announcement on the ASX: NMT 25 June 2018 titled Mt Edwards Project Mineral Resource Over 120,000 Nickel Tonnes

Note 3. refer announcement on the ASX: NMT 13 November 2019 titled Additional Nickel Mineral Resource at Mt Edwards

Note 4. refer announcement on the ASX: NMT 16 April 2020 titled Mt Edwards Nickel - Armstrong Resource increases 60%

Note 5. refer announcement on the ASX: NMT 26 May 2020 titled Mt Edwards Nickel - Gillett Resource increases 30%

Note 6. refer announcement on the ASX: NMT 5 October 2020 titled 132N Nickel Mineral Resource and exploration update at Mt Edwards

Note 7. refer announcement on the ASX: NMT 23 December 2020 Mt Edwards Nickel - Zabel Mineral Resource Update

Note 8. refer announcement on the ASX: NMT 29 June 2021 Mt Edwards – McEwen Mineral Resources increase 45%

Note 9. refer announcement on the ASX: NMT 29 June 2021 Mt Edwards – Widgie Townsite Mineral Resource Update

Note 10. refer announcement on the ASX: NMT 30 June 2021 Mt Edwards - 26 North Mineral Resources Increase 51%

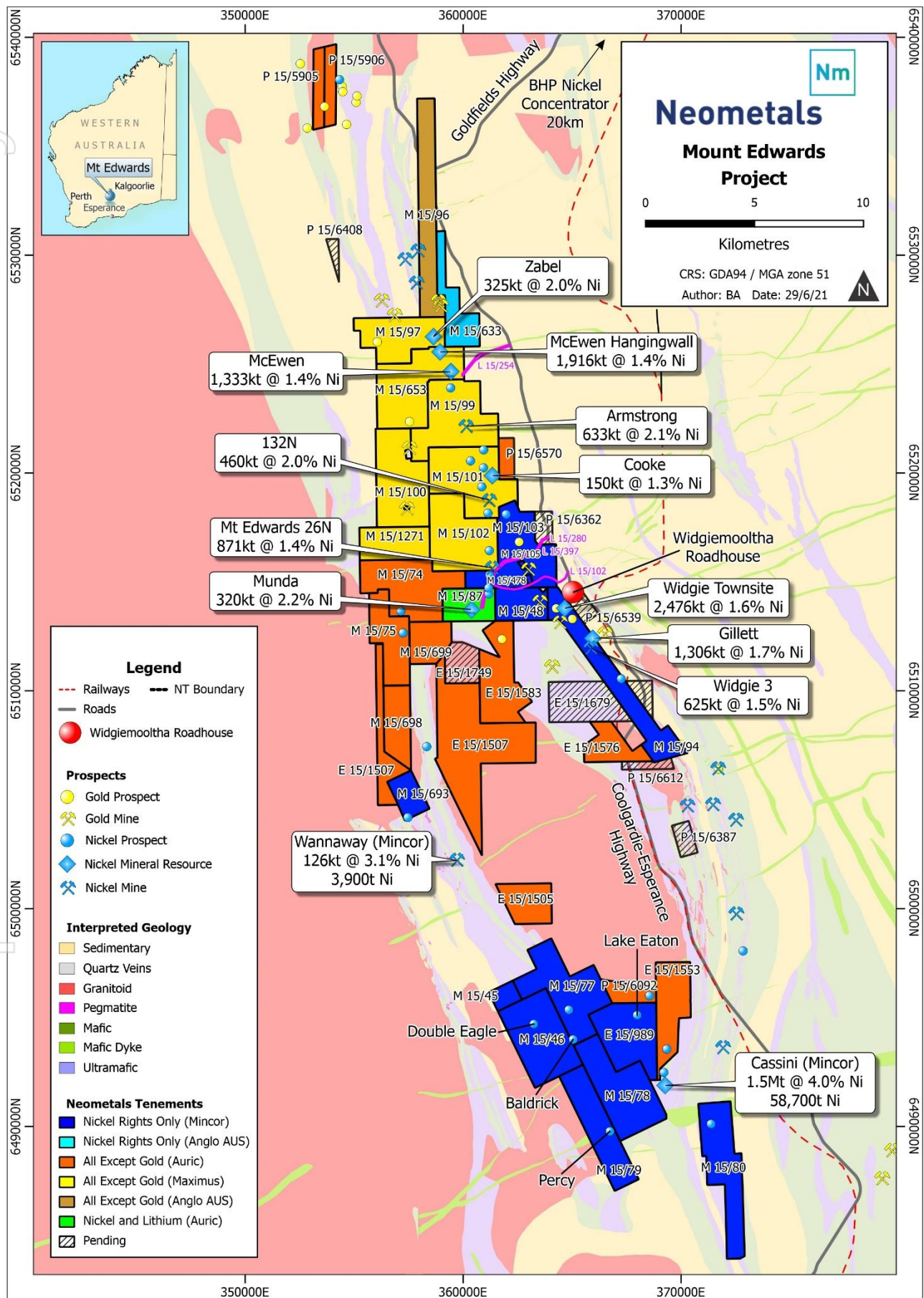


Figure 2 - Mining Tenements of the Mt Edwards Project.

Authorised by the Board of Neometals

ENDS

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Compliance Statement

The information in this report that relates to Mineral Resources for the Mt Edwards Project are extracted from the ASX Announcements listed in the table below, which are also available on the Company's website at www.neometals.com.au

19/04/2018	Mt Edwards Nickel - Mineral Resource Estimate
25/06/2018	Mt Edwards - Mineral Resource Over 120,000 Nickel Tonnes
13/11/2019	Additional Nickel Mineral Resource At Mt Edwards
16/04/2020	60% Increase in Armstrong Mineral Resource
26/05/2020	Increase in Mt Edwards Nickel Mineral Resource
05/10/2020	132N Nickel Mineral Resource and exploration update at Mt Edwards
23/12/2020	Zabel Nickel Mineral Resource Update at Mt Edwards
29/06/2021	Mt Edwards – McEwen Mineral Resources increase 45%
29/06/2021	Mt Edwards – Widgie Townsite Mineral Resource Update
30/06/2021	Mt Edwards – 26 North Mineral Resources Increase 51%

Neometals confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements listed in the table above and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant ASX announcement continue to apply and have not materially changed. Neometals confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant ASX 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 three core projects that support the global transition to clean energy and span the battery value chain:

Recycling and Resource Recovery:

- Lithium-ion Battery Recycling – a proprietary process for recovering nickel, cobalt and other valuable materials from spent and scrap lithium batteries. Completing construction of demonstration scale plant with 50:50 JV partner SMS group. Targeting a development decision in Mar Q 2022; and
- Vanadium Recovery – sole funding evaluation studies to form a 50:50 joint venture with Critical Metals Ltd to recover high-purity vanadium pentoxide from processing by-products ("Slag") from leading Scandinavian steelmaker SSAB. Underpinned by a 10-year Slag supply agreement, Neometals is targeting an investment decision to develop a 200,000tpa processing plant in DecQ 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 2022 with potential operating JV partner IMUMR and potential cornerstone product off-taker, Jiuxing Titanium Materials Co.