

Neometals Ltd

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Neometals boosts cash balance to \$131 million, multiple valuation catalysts ahead

Neometals Ltd (ASX:NMT) has completed the \$103.8 million sale of its 13.8% equity interest in the Mt Marion Lithium Project.

The sale increases the company's cash balance to around \$131 million plus \$7 million in listed investments.

As part of the sale agreement, Neometals has secured a binding life-of-mine annual offtake option for 57,000 tonnes per annum of 6% spodumene concentrate from the mine.

Importantly, this option provides Neometals with potential feedstock for downstream processing into higher-margin lithium chemicals.

READ: Neometals to see lithium batteries recycled while updating Barrambie DFS

The company's development priorities are its Barrambie Vanadium Titanium Project, its lithium-ion battery recycling project, and its lithium downstream strategy.

Strong cash position provides options

The company's core strategy remains focused on de-risking and developing long-life projects with strong partners, and integrate down the value chain.

Neometals' managing director Chris Reed said: "We will continue to take a very measured approach to capital allocation and the timing of investment decisions of multiple advanced projects in our portfolio.

"We are fortunate that despite challenging capital markets we retain significant flexibility and optionality with respect to the timing, quantum and structure of investment into the development of our portfolio of exciting growth projects."

Barrambie is the company's flagship asset

The Barrambie project is one of the world's biggest titanium and vanadium resources and remains a flagship project with Neometals targeting a final investment decision (FID) in 2019.

An updated definitive feasibility study (DFS) for the development of a primary vanadium operation at Barrambie and updated Ore Reserve estimate are due for release in April 2019.

This will form the basis of the formal offtake, partner and financing processes to be run in parallel with vendor test work, front-end engineering and design studies and approval processes.

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Price: A\$0.205

Market Cap: A\$111.61M

1 Year Share Price Graph



Share Information

Code: NMT

Listing: ASX

52 week High Low
A\$0.33 A\$0.20

Sector: Mining

Website: www.neometals.com.au

Company Synopsis:

Neometals Ltd (ASX:NMT) is focused on the Mt Marion Lithium Project with the aim of becoming an integrated producer of lithium battery materials.

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