



AMG ADVANCED METALLURGICAL GROUP N.V. APPROVES LITHIUM PROJECT

Key Highlights

- **AMG's Supervisory Board approves project to construct a lithium concentrate (spodumene) plant at the Mibra mine in Brazil, with an initial annual production of 90,000 tons, expandable to 140,000 tons**
- **Production is expected to commence in the first quarter of 2018 and capital investment is estimated at approximately \$50 million**
- **AMG expects to be the low cost producer of lithium concentrate globally**
- **Pre-feasibility study for the construction of a lithium chemical plant, with targeted annual production of between 14,000 tons and 20,000 tons lithium carbonate equivalent (LCE), will be completed in the fourth quarter 2016**

Amsterdam, 20 July 2016 (Regulated Information) --- AMG Advanced Metallurgical Group N.V. ("AMG", Euronext Amsterdam: "AMG") is pleased to announce that the Supervisory Board of AMG has approved the construction of a lithium concentrate (spodumene) plant at the Mibra mine in Brazil.

"Following a number of years spent on preparatory activities, including the operation of a pilot plant at AMG's Mibra mine in Brazil, we are delighted to announce our entrance into the lithium market," said Dr. Heinz Schimmelbusch, CEO and Chairman of the Management Board. "The recovery of lithium-bearing minerals from existing tailings will enable AMG to be a cost leader in the lithium market, creating significant value for our shareholders."

AMG's new business segment, AMG Lithium, will commence operations in the first quarter of 2018, with an initial annual production capacity of 90,000 tons of lithium concentrate, expandable to 140,000 tons. Total capital investment is estimated at approximately \$50 million and will be incurred primarily in 2016 and 2017.

The recovery of lithium-bearing minerals from existing tailings, a by-product of AMG's tantalum operations in Brazil, is expected to result in a cost-leading production process.

This announcement follows the press release distributed on March 10, 2016, in which AMG announced that Outotec completed an affirmative prefeasibility study for the recovery of lithium-bearing mineral Spodumene.

In addition, AMG has completed an affirmative scoping study for the downstream conversion of lithium concentrate into lithium hydroxide and/or lithium carbonate. As part of this analysis, AMG performed a global site location study to determine the best location for a new lithium chemical plant.

Following the successful completion of the scoping and location studies, AMG has commissioned Hatch to complete a pre-feasibility study for the construction of a lithium chemical plant, with targeted annual production of between 14,000 tons and 20,000 tons lithium carbonate equivalent (LCE).

The previously published Technical Report on Mineral Resources states that AMG's Mibra mine has 14.7 million tons of measured and indicated resources, including tantalum, niobium, tin and lithium. AMG estimates that the current life of the mineral resource is approximately 18 years, based upon current production levels.

Chemical grade lithium is primarily used in lithium-ion batteries and in the fine-chemical industry.

Further details of AMG's lithium project can be found on AMG's website under www.amg-nv.com/Investors/Presentations.

About AMG

AMG is a global critical materials company at the forefront of CO₂ reduction trends. AMG produces highly engineered specialty metals and mineral products and provides related vacuum furnace systems and services to the transportation, infrastructure, energy, and specialty metals & chemicals end markets.

AMG produces aluminum master alloys and powders, titanium alloys and coatings, ferrovanadium, natural graphite, chromium metal, antimony, tantalum, niobium and silicon metal. AMG Engineering designs and produces vacuum furnace equipment and systems used to produce and upgrade specialty metals and alloys for the transportation, automotive, infrastructure, and energy markets.

With approximately 3,000 employees, AMG operates globally with production facilities in Germany, the United Kingdom, France, Czech Republic, United States, China, Mexico, Brazil and Sri Lanka, and has sales and customer service offices in Russia and Japan (www.amg-nv.com).

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