



CRITICAL MATERIALS FOR

THE NEW MILLENNIUM



AMG Advanced Metallurgical Group N.V.

January 2018 Investor Update

A close-up photograph of a white and black electric vehicle charging cable plugged into a charging port. The cable has a white handle with a silver latch and a black cable with a textured grip. The background is dark and out of focus.

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AMG Overview



AMG Advanced Metallurgical Group N.V.

GLOBAL VIEW

Global Trends

- Need to contain CO₂ emissions
- Operation growth and increasing affluence need a technology counterbalance

Demand

- Material science-based solutions for energy efficiency (lighter, stronger, temperature resistant)

Supply

- AMG sources, processes, and supplies the materials which are critical because of market demands

AMG is a critical materials company



LEADER IN ADVANCED TECHNOLOGIES
TO ADDRESS CO₂ REDUCTION

CO₂ REDUCTION

A GLOBAL IMPERATIVE FOR THE 21ST CENTURY

AMG has developed into a
leader in enabling technologies

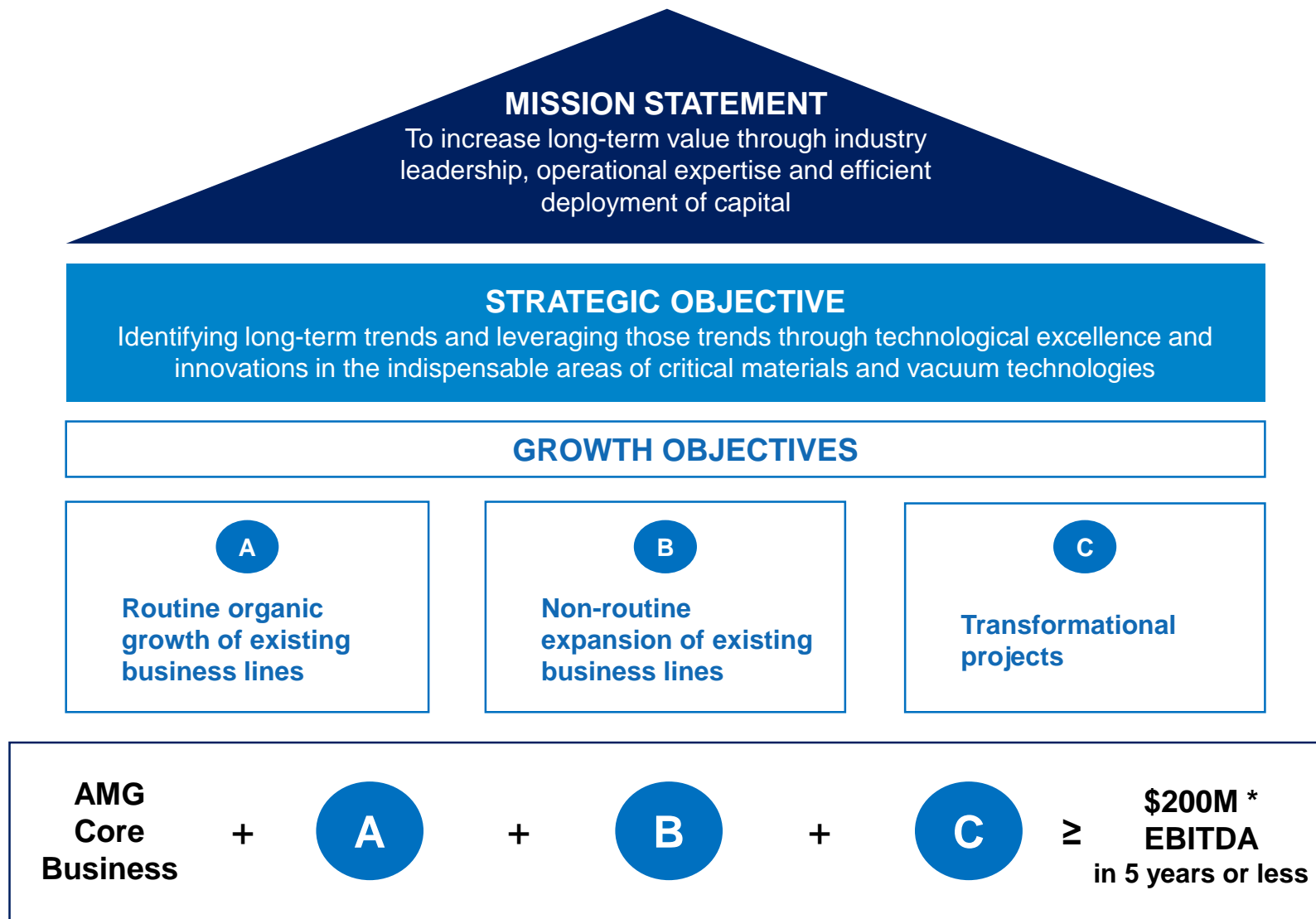
AMG: **MITIGATING TECHNOLOGIES**

Products and processes saving raw materials, energy and CO₂ emissions during manufacturing
(i.e., recycling of Ferrovanadium)

AMG: **ENABLING TECHNOLOGIES**

Products and processes saving CO₂ emissions during use
(i.e., light-weighting and fuel efficiency in the aerospace and automotive industries)

EXCELLENT PLATFORM FOR ORGANIC AND ACQUISITION LED GROWTH



* EBITDA target assumes current metal prices and no major acquisitions



AMG'S CORE KNOW-HOW

PROCUREMENT

Sourcing material from remote origins

OPERATIONS


World leader in advanced metallurgical & mineral processing

MARKETS

Operating in volatile oligopolistic niche markets

CUSTOMERS

Intense interaction with global industrial leaders



Financial Highlights

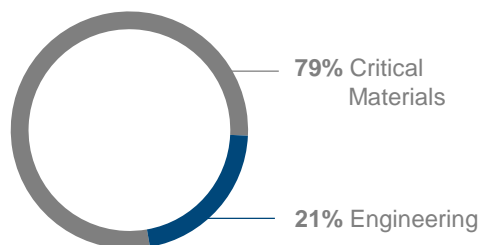


AMG Advanced Metallurgical Group N.V.

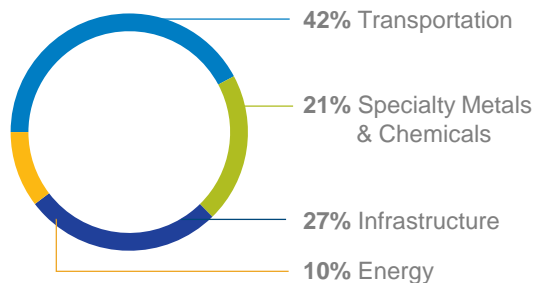
AMG AT A GLANCE

Q3 2017 REVENUE

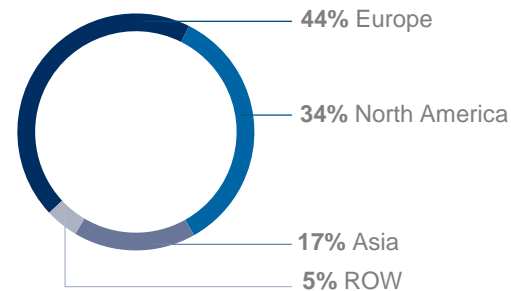
BY SEGMENT:



BY END MARKET:



BY REGION:



AMG IS A GLOBAL
SUPPLIER OF
CRITICAL
MATERIALS TO:



ENERGY



TRANSPORTATION



INFRASTRUCTURE



SPECIALTY METALS
AND CHEMICALS

Market leading producer of highly engineered specialty metals and vacuum furnace systems

~3,100
Employees

~\$1 billion
Annual Revenues

At the forefront of
CO₂ Reduction

Q3 2017 AT A GLANCE

AMOUNTS IN \$M (EXCEPT EARNINGS PER SHARE)	Q3 2017	Q3 2016	% CHANGE
Revenue	\$258.9	\$247.5	5%
Gross Profit *	\$51.3	\$46.3	11%
Gross Margin %	19.8%	18.8%	5%
Profit Before Income Taxes	\$15.5	\$9.6	61%
EBITDA	\$27.6	\$23.4	18%
EBITDA Margin %	10.7%	9.5%	13%
Net Debt (Cash)	\$15.4	(\$1.9)	911%
Return On Capital Employed (ROCE)	21.5%	18.0%	19%
Net Income Attributable To Shareholders	\$14.0	\$5.2	169%
Diluted Earnings Per Share	0.44	0.18	144%

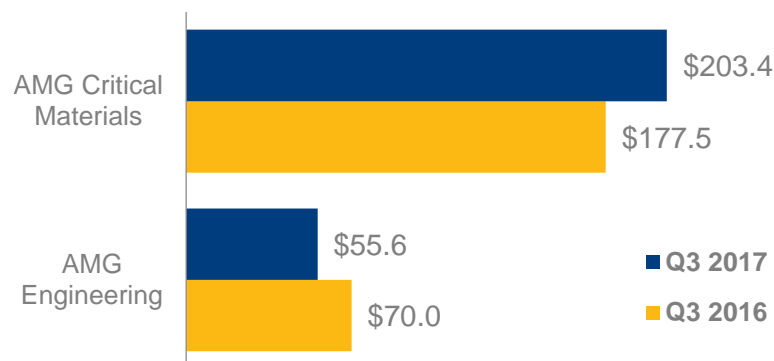
- Q3 '17 EBITDA up 18% versus Q3 '16 due to improved profitability within AMG Critical Materials
- Annualized ROCE increased to 21.5% in Q3 2017 versus 18.0% for Q3 2016

Net Debt Reduction
of \$72.4 million since
December 2014

DIVISIONAL FINANCIAL HIGHLIGHTS – Q3 2017 VS. Q3 2016

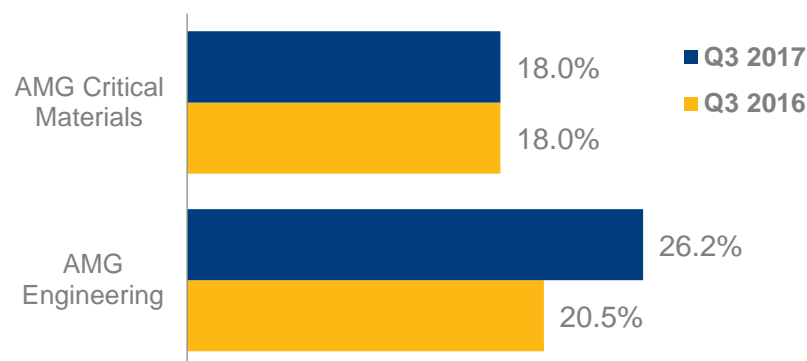
REVENUE

Q3 2017 REVENUE: \$258.9 (IN MILLIONS OF US DOLLARS)



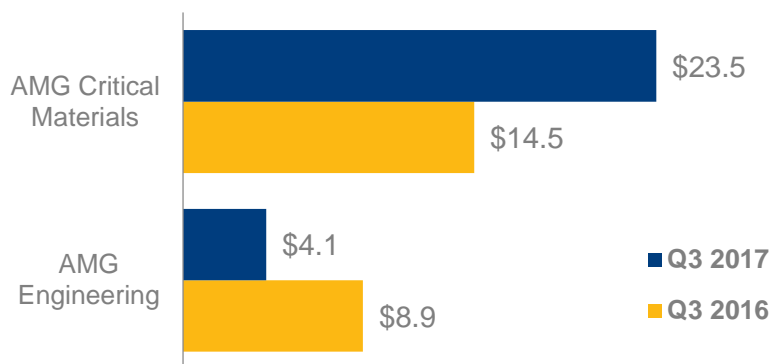
GROSS MARGIN *

Q3 2017 GROSS MARGIN: 19.8%



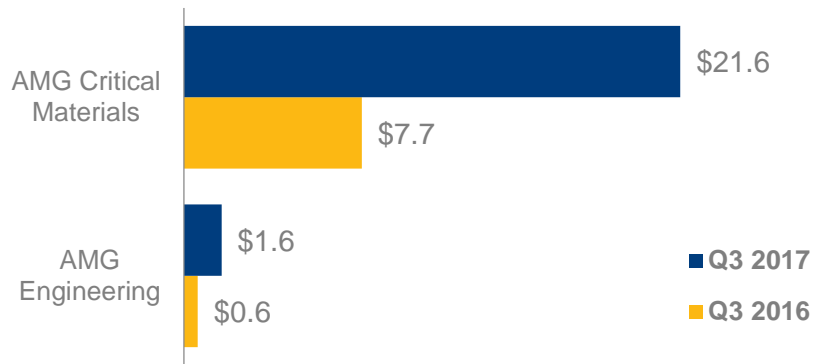
EBITDA

Q3 2017 EBITDA: \$27.6 (IN MILLIONS OF US DOLLARS)



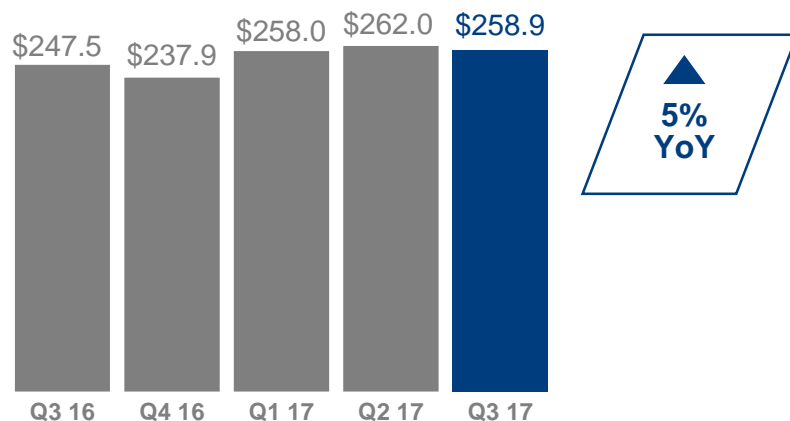
CAPITAL EXPENDITURE

Q3 2017 CAPEX: \$23.2 (IN MILLIONS OF US DOLLARS)

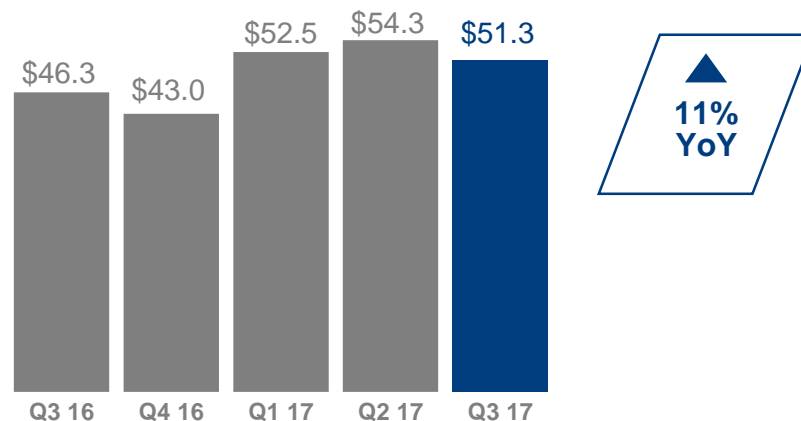


FINANCIAL HIGHLIGHTS

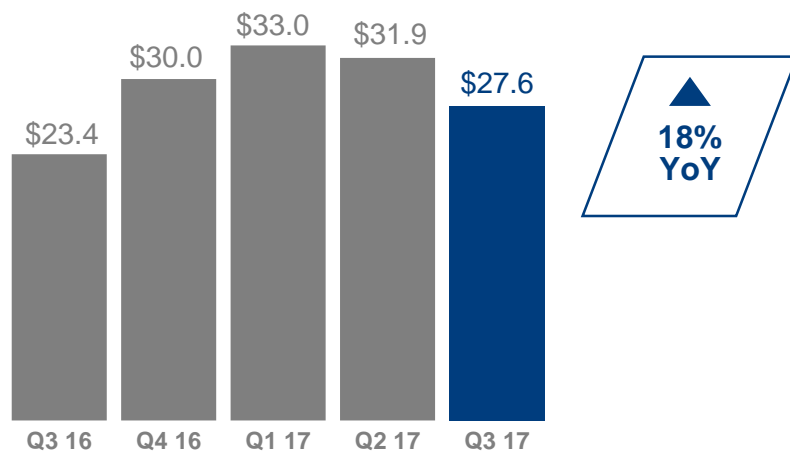
REVENUE (IN MILLIONS OF US DOLLARS)



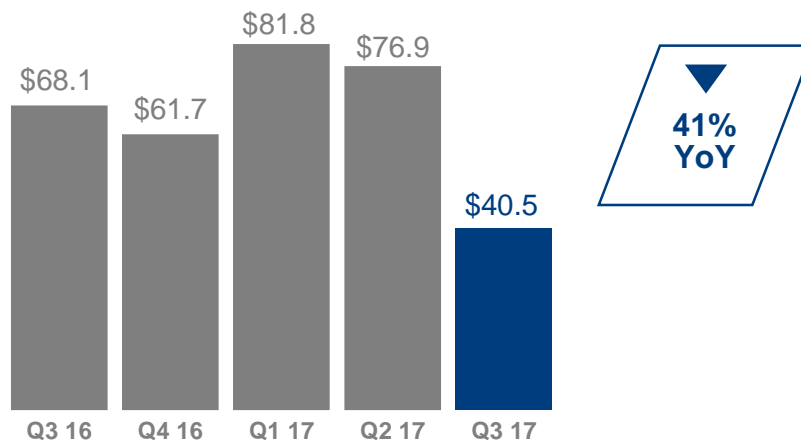
GROSS PROFIT * (IN MILLIONS OF US DOLLARS)



EBITDA (IN MILLIONS OF US DOLLARS)

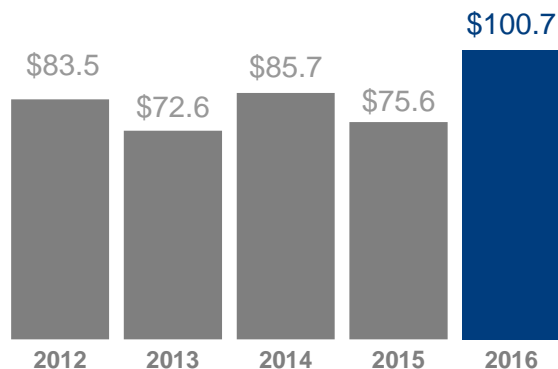


ORDER INTAKE (IN MILLIONS OF US DOLLARS)



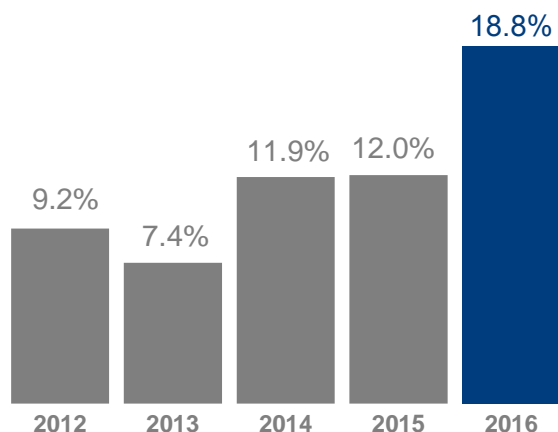
5 YEAR TREND – EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



**FY '16 EBITDA
UP 33%
VERSUS FY '15**

Annualized ROCE

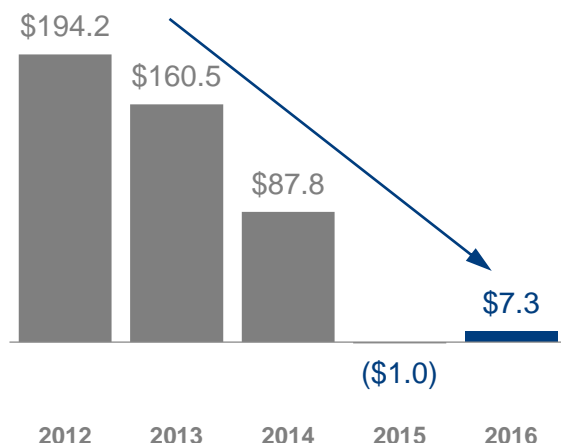


**FY '16 ROCE
IMPROVED TO
18.8% FROM
12.0% IN FY '15**

- 2016 EBITDA is up 33% due to product mix and operational improvements in Critical Materials as well as a very strong performance by Engineering due to an increase in demand for furnaces from the aerospace industry
- FY 2016 annualized ROCE improved to 18.8% from 12.0% in FY 2015
- ROCE improvements are the result of efficient use of capital and improved profitability

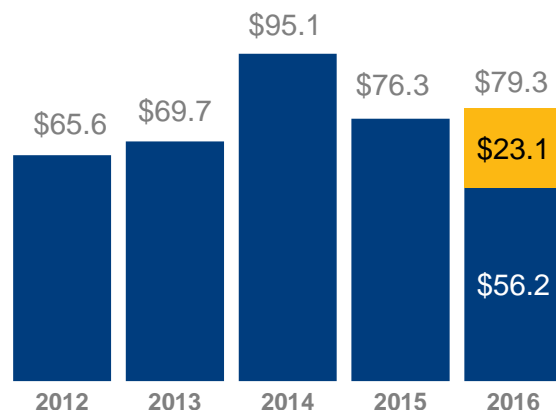
5 YEAR TREND – NET DEBT & OPERATING CASH FLOW

NET DEBT (CASH) (IN MILLIONS OF US DOLLARS)



**\$187M
REDUCTION
IN NET DEBT
SINCE 2012**

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



**FY 2016
OPERATING
CASH FLOW
OF \$56.2M**

■ Pension contribution

- Net debt: \$7.3 million
 - \$186.9 million reduction of net debt since December 31, 2012
 - Net Debt to LTM EBITDA: 0.07x
- AMG's primary debt facility is a \$400 million multicurrency term loan and revolving credit facility
 - 5 year term (until 2021) with an accordion feature that allows the Company, subject to certain conditions, to increase the commitment amount by up to \$100 million
 - In compliance with all debt covenants
- FY '16 net cash from operating activities of \$56.2 million, which included voluntary cash contributions to the Company's pension plans of \$23.1 million made during the year

OUTLOOK: 2017-2018

OUTLOOK

AMG expects full year 2017 EBITDA to improve by 10%, or more, relative to 2016.

In 2018, AMG expects to continue its strong financial performance and improve profitability relative to 2017.

AMG's management team is focused on delivering our highly accretive lithium project and executing our long term lithium strategy. In addition, we will continue to pursue other acquisition opportunities and organic growth projects in order to generate long term value for our shareholders.

AMG expects full year 2017 EBITDA to improve by 10%, or more, relative to 2016



Lithium Project Update

AMG LITHIUM & TANTALUM BUSINESS



	AMG Lithium & Tantalum		
Division	AMG Oxides	AMG Tantalum	AMG Lithium
Location	São João del Rei, Brazil	Mibra Mine, Brazil	Mibra Mine, Brazil
Products	<ul style="list-style-type: none"> Tantalum Oxide Niobium Oxide 	Tantalum Concentrate	Lithium Concentrate*
Current Production Capacity	<ul style="list-style-type: none"> 140k lbs tantalum oxide / year 600 MT high purity niobium oxide / year 	300,000 lbs / year	90,000 MT / year (Plant I)
Planned Capacity Expansion	n/a	600,000 lbs / year	180,000 MT / year (Plant I & II)
Status	Fully operational	Fully operational (expansion underway)	Spodumene I: approved, under construction Spodumene II: approved, detailed engineering Lithium carbonate downstream: under analysis

* Future approval (H1 2018) of Phase III of the lithium project will result in production of lithium carbonate from lithium concentrate

AMG LITHIUM – PROJECT STRENGTHS



Existing management and mining infrastructure – not a new mine project

Strong understanding of the mine geology

Mining infrastructure already in place and operational

Ore extraction and crushing costs absorbed by profitable tantalum operation

Spodumene plant will be fed via lithium deposits in existing tailings, as well as incremental lithium-bearing tailings generated via tantalum production

- 2.8 million metric tons of spodumene plant feed stock already extracted in the form of on-site tailings

AMG has operated a spodumene pilot plant since 2010

Strategic flexibility to further develop operational scope

AMG HAS OPERATED THE MIBRA MINE FOR 38 YEARS

LITHIUM PROJECT PHASES



PHASE I & PHASE II

LITHIUM CONCENTRATE PRODUCTION

LITHIUM CONCENTRATE PLANT I

Construction of a lithium concentrate plant to produce 90,000 MT of spodumene per year

Production start-up: mid-2018

APPROVED CAPEX: \$50M

LITHIUM CONCENTRATE PLANT II

Construction of second lithium concentrate plant, resulting in capacity expansion from 90,000 MT to 180,000 MT per year

Production start-up: H2 2019

APPROVED CAPEX: \$110M *

PHASE III

LITHIUM CHEMICAL PRODUCTION

LITHIUM CHEMICAL PLANTS

Construction of lithium chemical plants for the downstream conversion of lithium concentrate into lithium carbonate

*** Phase II capex includes investments related to the expansion of the existing tantalum operations in addition to the development and expansion of the existing mining infrastructure**

SPODUMENE II TIMELINE



MIBRA MINE – MINERAL RESOURCES



AMG's Mineral Resource Statement for the Mibra mine was updated in March 2017, and states 20.3 million tonnes of measured and indicated resources, an increase of approximately 38% compared to the previous Mineral Resource Statement completed in 2013.

Further exploration and drilling is ongoing to identify additional resources

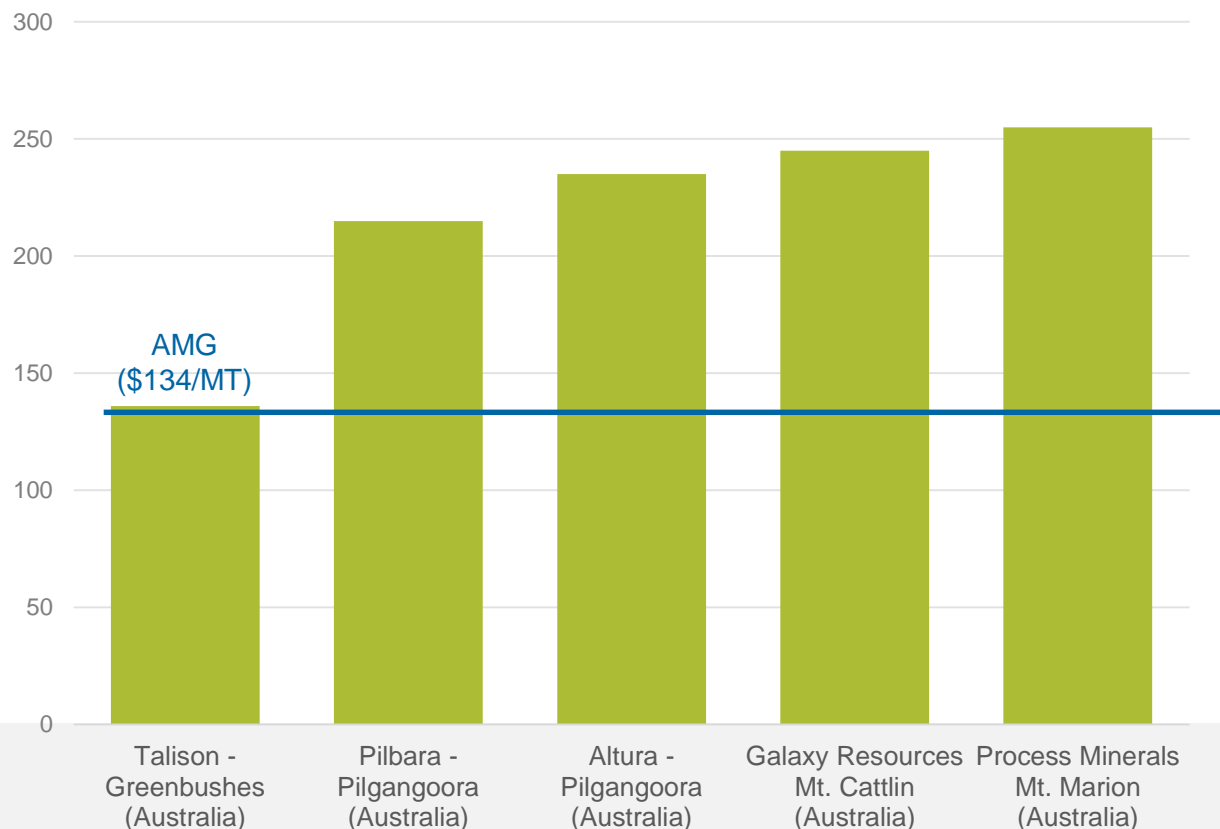
Domain	Quantity	Grade					
		Li	Li ₂ O	Ta	Ta ₂ O ₅	Nb	Sn
	('000s tonnes)	(ppm)	(%)	(ppm)	(ppm)	(ppm)	(ppm)
Measured Mineral Resources							
A	3,224	4,685	1.01	289	353	52	267
C	-	-	-	-	-	-	-
F	197	3,670	0.79	377	461	45	565
Total Measured	3,421	4,626	1.00	294	359	52	284
Indicated Mineral Resources							
A	11,989	5,130	1.10	293	358	46	258
C	4,842	4,545	0.98	228	278	64	685
F	37	4,179	0.90	428	523	49	773
Total Indicated	16,868	4,960	1.07	275	335	51	382
Total Measured & Indicated	20,289	4,904	1.06	278	339	51	365
Inferred Mineral Resources							
A	2,434	4,714	1.01	309	377	45	204
C	1,787	4,895	1.05	231	282	63	842
F	-	-	-	-	-	-	-
Total Inferred	4,222	4,790	1.03	276	337	53	474

Based upon AMG's targeted production level of 180k MT of lithium concentrate from 2020 onwards, AMG estimates that the current life of the mineral resource is approximately 20 years

OPERATING COSTS FOR SPODUMENE PRODUCTION, 2017



Operating costs for spodumene production
(\$/MT)



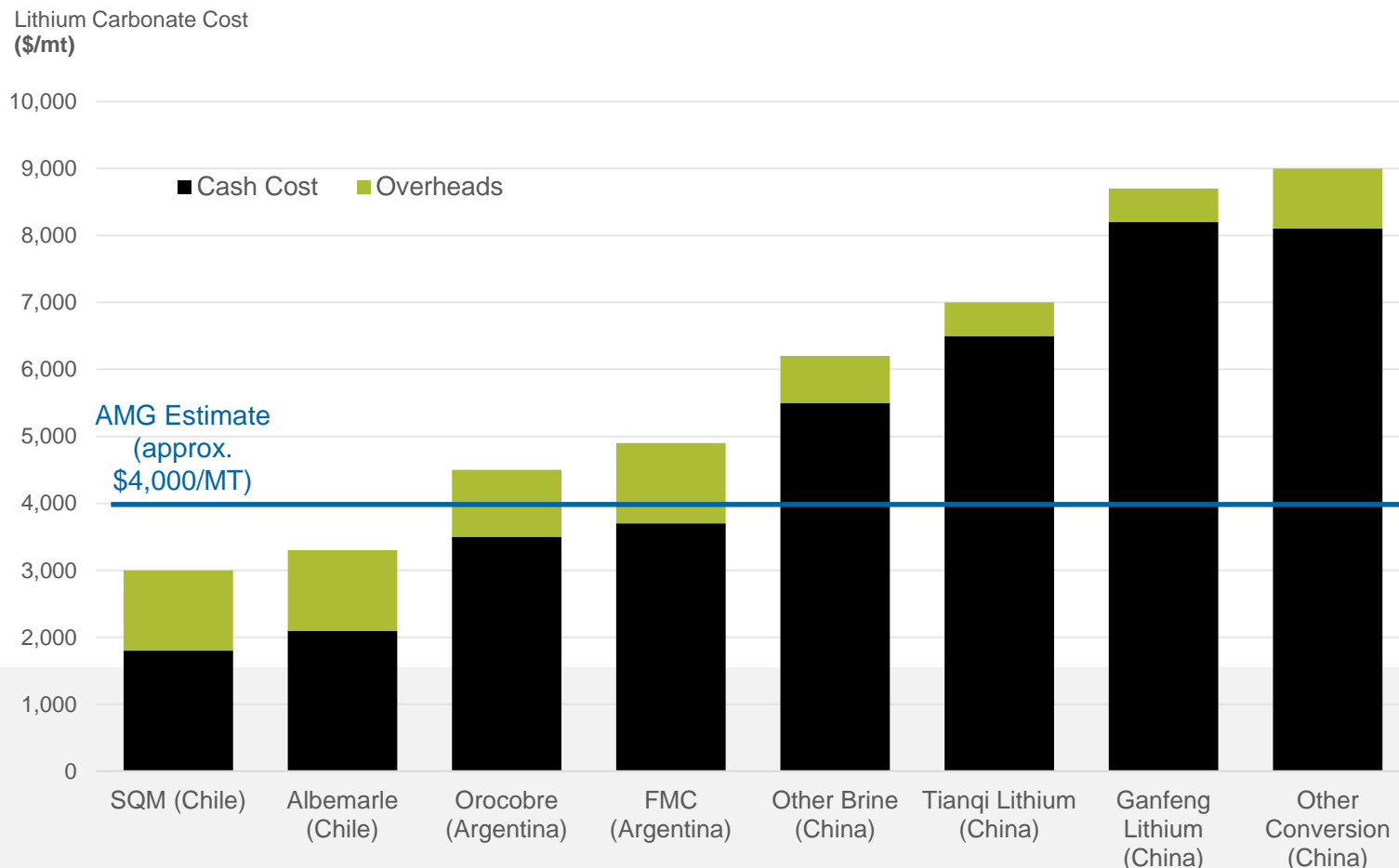
AMG's objective is to be the low-cost producer of spodumene globally

- AMG's spodumene operating costs benefit from the production of tantalum concentrate, which absorb the costs of mining and initial ore processing (crushing and grinding)

LITHIUM CARBONATE COST CURVE, 2017



Subject to the approval of Phase III of the lithium project, AMG's fully integrated cost of production of lithium carbonate would be approximately \$4,000/MT



Source: Roskill 2017

Notes: Battery and technical grades; Includes direct carbonate production from raw materials (brine and minerals); SQM & Rockwood costs assume potash cost share methodology; Tianqi mineral conversion assumes US\$560/t spodumene concentrate price; Other China and Ganfeng assumes US\$750/t spodumene concentrate price

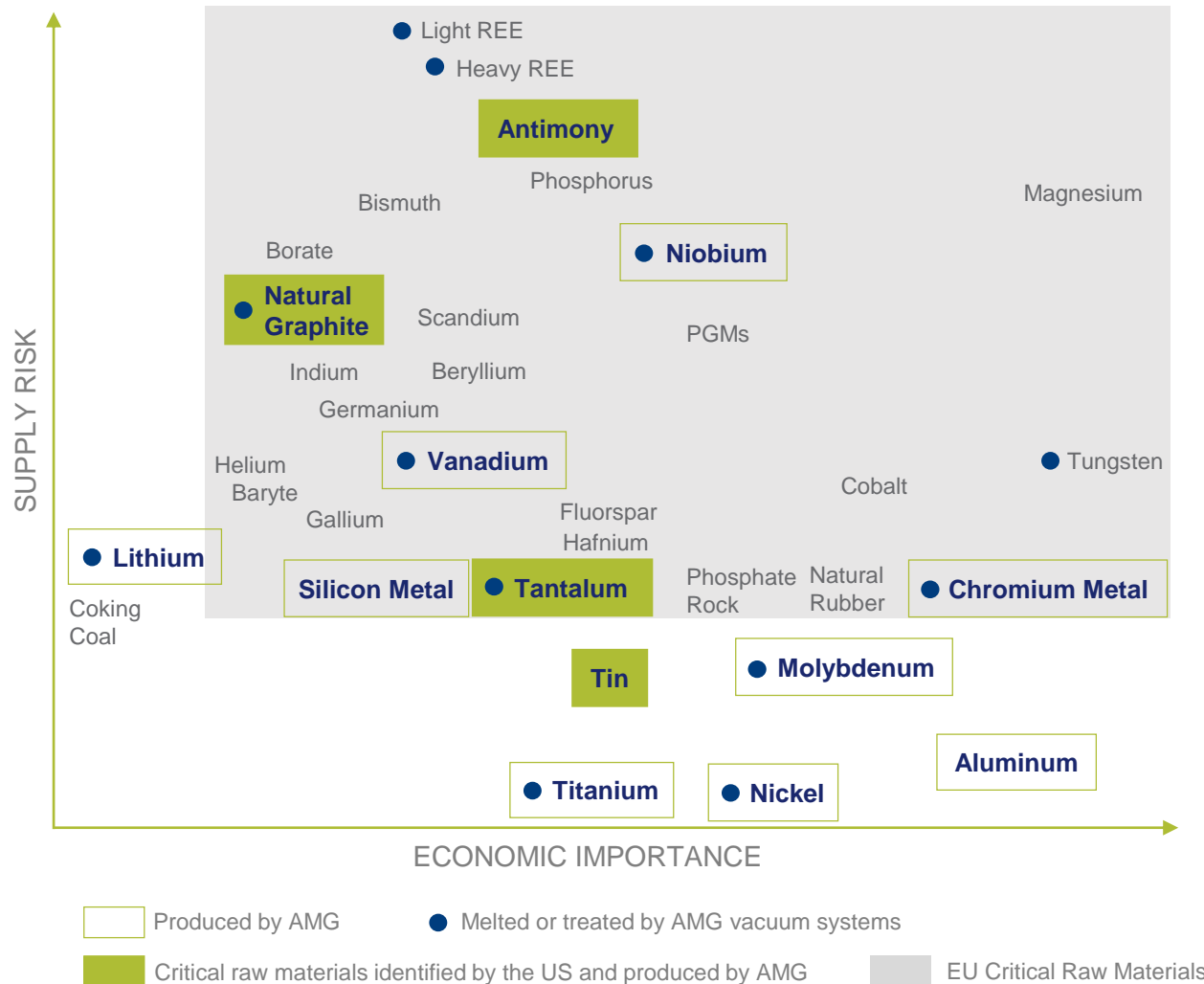
The background of the slide is a photograph of a large industrial setting. In the center, there is a massive, tightly wound coil of metal, likely steel, which is the focal point of the image. This coil is supported by a network of dark metal struts. The coil is situated within a warehouse or industrial facility, with wooden pallets and other structural elements visible in the background. The lighting is somewhat dim, creating a sense of depth and scale. The overall composition is circular, mirroring the shape of the metal coil.

Appendix



AMG Advanced Metallurgical Group N.V.

CRITICAL RAW MATERIALS: AMG NOW IN 7



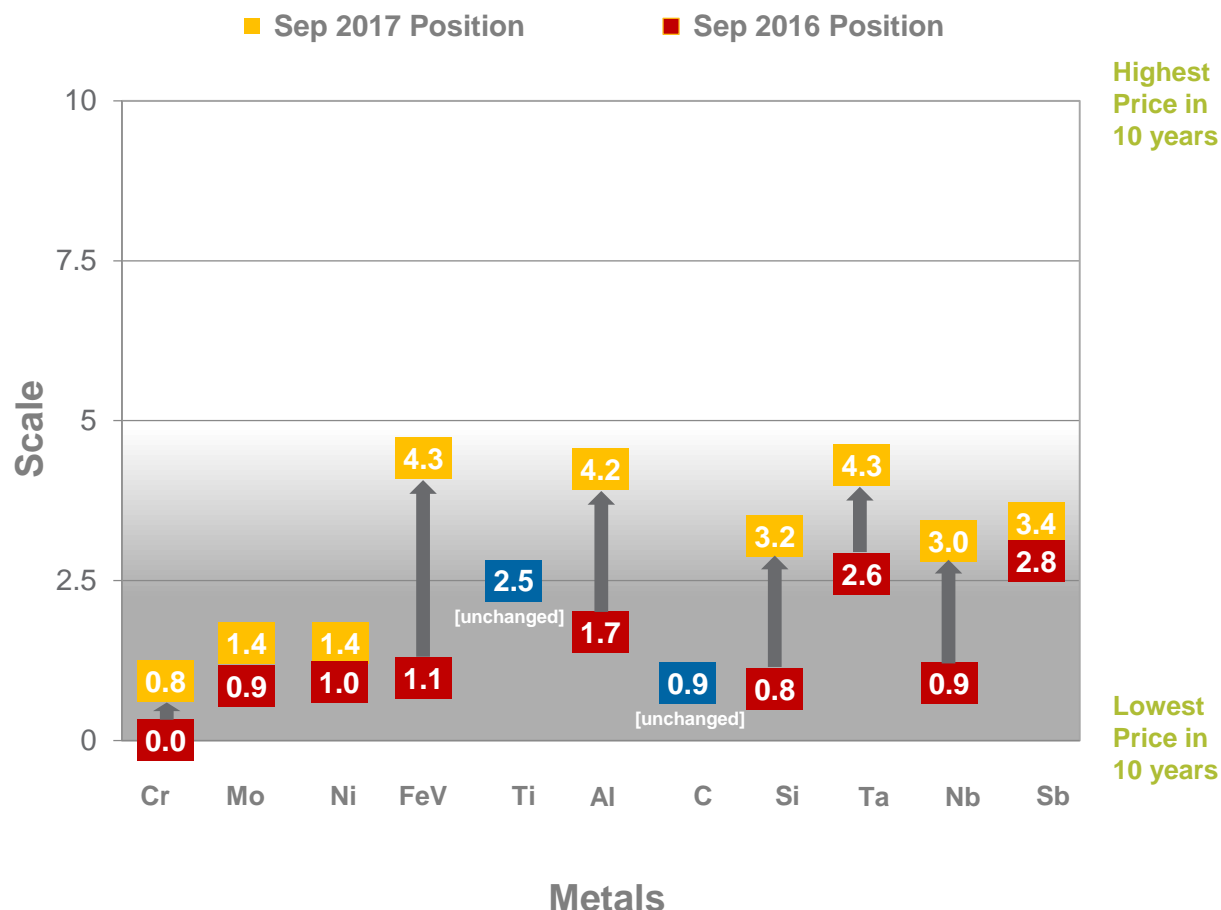
- The EU identified 27 critical raw materials* to the European economy in 2017, focusing on two determinants: economic importance and supply risk
- The US identified 30 critical materials* which are vital to national defense, primarily through assessing supply risk
- AMG has a unique critical materials portfolio comprising:
 - 7 EU critical raw materials
 - 4 US critical raw materials
 - Highly engineered Titanium Alloys for the aerospace industry
 - High value added Aluminum Master Alloys
 - Vanadium, Nickel and Molybdenum from recycled secondary raw materials

¹ 2017 list of Critical Raw Materials for the EU, September 2017; Strategic and Critical Materials 2015 Report on Stockpile Requirements by Department of Defense in January 2015.

² Chromium Metal (a subcategory of chrome ore) is not identified by the EU report

³ Scandium included due to use in production of Aluminum Alloys

CRITICAL MATERIALS PRICES: 10 YEAR PERSPECTIVE



- Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years
- The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years

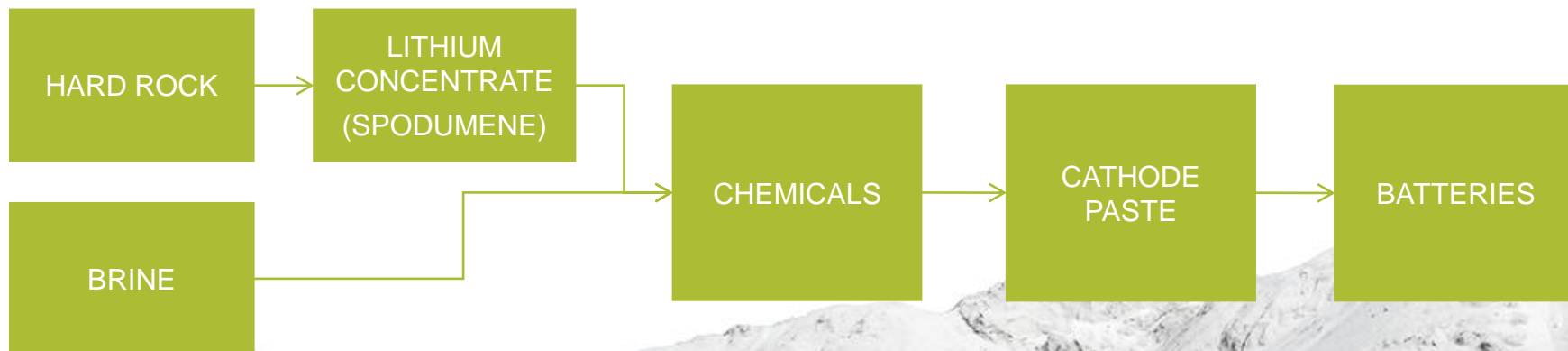
AMG's relevant prices have started to move into the second quartile

Note: Metal Positions are measured on a scale of 0 to 10, with 0 being the minimum price and 10 being the maximum price. They are calculated using the formula $[(\text{Sep '07 month avg} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) * 10]$ where maximum and minimum monthly averages are measured over the period 1 Sep '07 through 30 Sep '17.

CRITICAL MATERIALS – AVERAGE QUARTERLY PRICES

MATERIALS	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q3 '17 VS. Q3 '16 % CHANGE	Q3 '17 VS. Q2 '17 % CHANGE
Ferrovanadium (\$/lb)	\$9.99	\$10.65	\$12.35	\$12.30	\$17.75	78%	44%
Molybdenum (\$/lb)	\$7.01	\$6.63	\$7.90	\$8.03	\$8.21	17%	2%
Nickel (\$/MT)	\$10,262	\$10,685	\$10,267	\$9,222	\$10,524	3%	14%
Aluminum (\$/MT)	\$1,620	\$1,710	\$1,851	\$1,909	\$2,011	24%	5%
Chrome (\$/lb)	\$3.67	\$3.65	\$3.83	\$4.02	\$3.93	7%	(2%)
Tantalum (\$/lb)	\$60	\$56	\$57	\$67	\$75	24%	12%
Niobium Oxide (\$/kg)	\$28	\$26	\$27	\$30	\$34	20%	15%
Ti Sponge (\$/kg)	\$8.15	\$8.15	\$8.24	\$8.74	\$8.15	—	(7%)
Antimony (\$/MT)	\$7,271	\$7,482	\$8,098	\$8,890	\$8,291	14%	(7%)
Graphite (\$/MT) *	\$763	\$822	\$730	\$823	\$997	31%	21%
Silicon Metal (€/MT)	€1,648	€1,733	€1,993	€1,989	€1,927	17%	(3%)

LITHIUM INDUSTRY BASICS & BATTERY VALUE CHAIN



FMC

ALBEMARLE®



TQC 天齐锂业
TIANQI LITHIUM

LG Chem



Panasonic



TALISON LITHIUM

CITIC GUOAN

GanfengLithium 赣锋锂业

palith 泛亚锂业

umicore



BASF
The Chemical Company

mitsubishi

NICHIA

当升科技
DANGSHANG TECHNOLOGY



3M



杉杉科技
Shanshan Technology

MITSUBISHI

Bolloré

Johnson Controls

li-Tec

BAK
CHINA BAK BATTERY, INC

TOYOTA

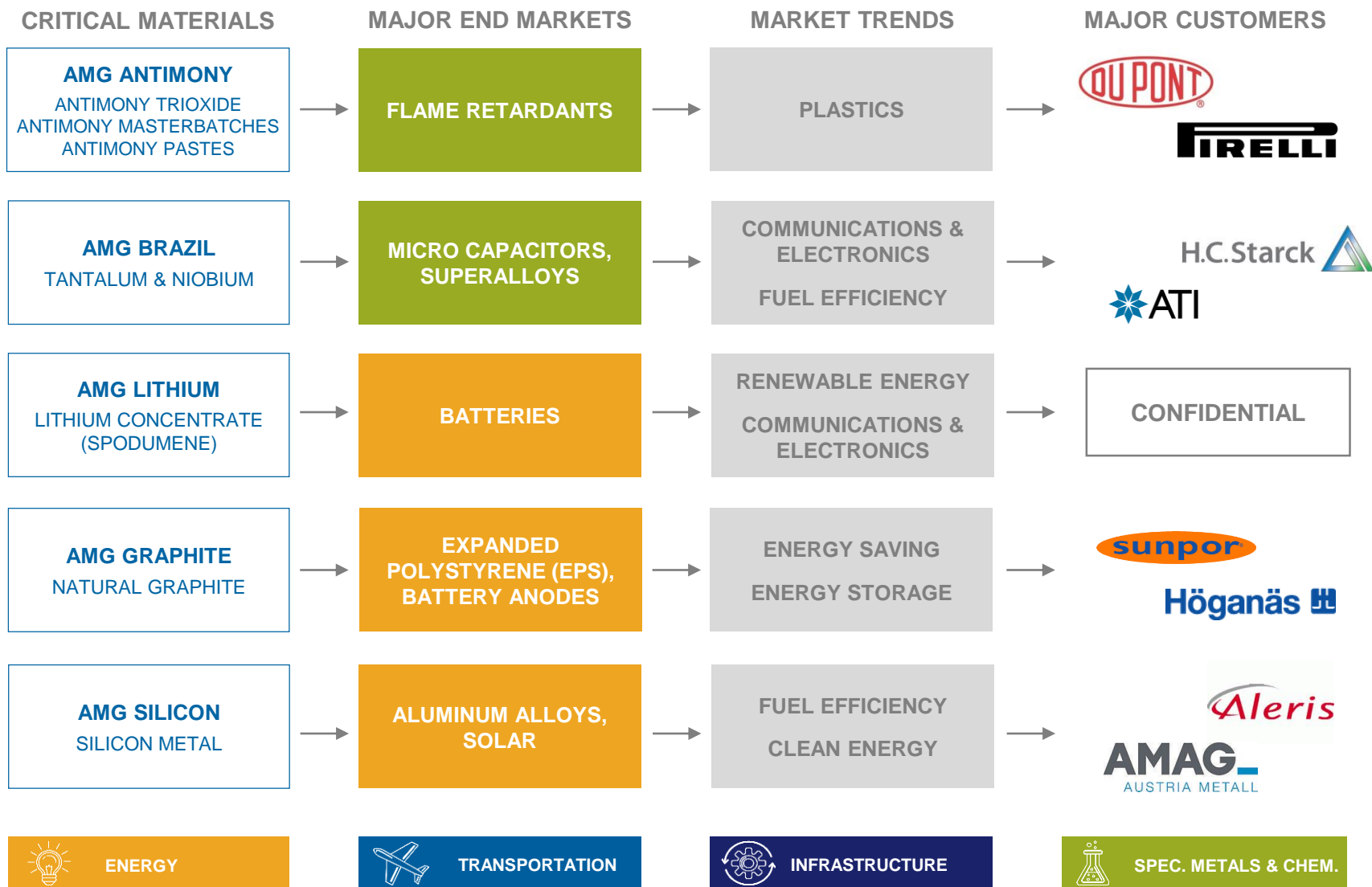
maxell

GSYUASA

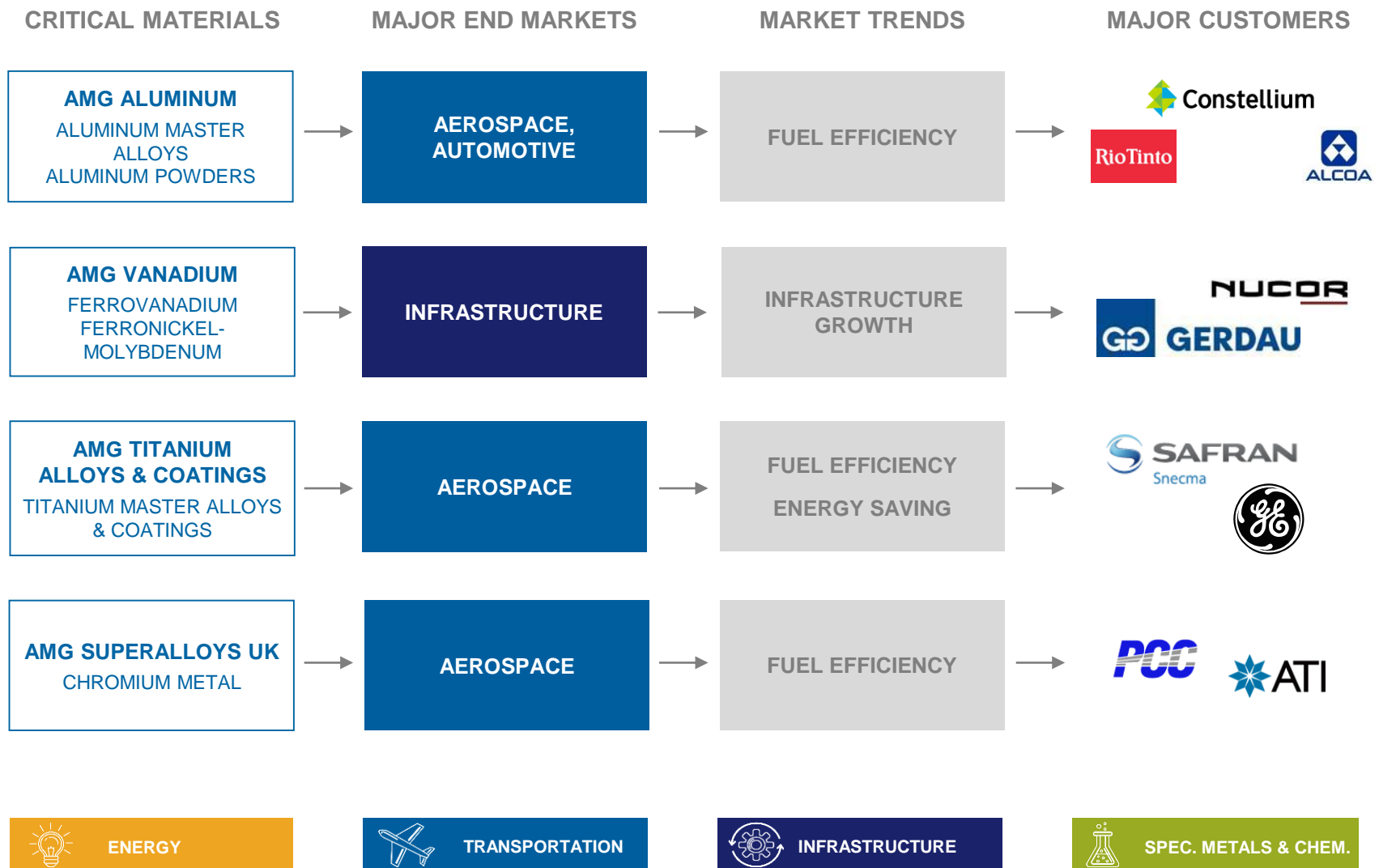
DOW KOKAM

Note: LG Chem, BYD and Panasonic produce both cathode paste and batteries.

CRITICAL MATERIALS – MARKET TRENDS



CRITICAL MATERIALS – MARKET TRENDS



ENGINEERING – MARKET TRENDS

PRODUCTS & SERVICES

MAJOR END MARKETS

MARKET TRENDS

MAJOR CUSTOMERS

AMG ENGINEERING
CAPITAL GOODS
(VACUUM FURNACES)



**AEROSPACE,
AUTOMOTIVE**



FUEL EFFICIENCY
ELECTRONICS



AMG ENGINEERING
VACUUM HEAT TREATMENT
SERVICES



**AEROSPACE,
AUTOMOTIVE**



FUEL EFFICIENCY



ENERGY



TRANSPORTATION



INFRASTRUCTURE



SPEC. METALS & CHEM.