

A nighttime photograph of a city skyline, featuring a prominent skyscraper with a glowing spire and illuminated facade. The sky is dark blue with some clouds. The text is overlaid on the left side of the image.

CRITICAL MATERIALS FOR
**THE NEW
MILLENNIUM**



AMG Advanced Metallurgical Group N.V.
September 2017



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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

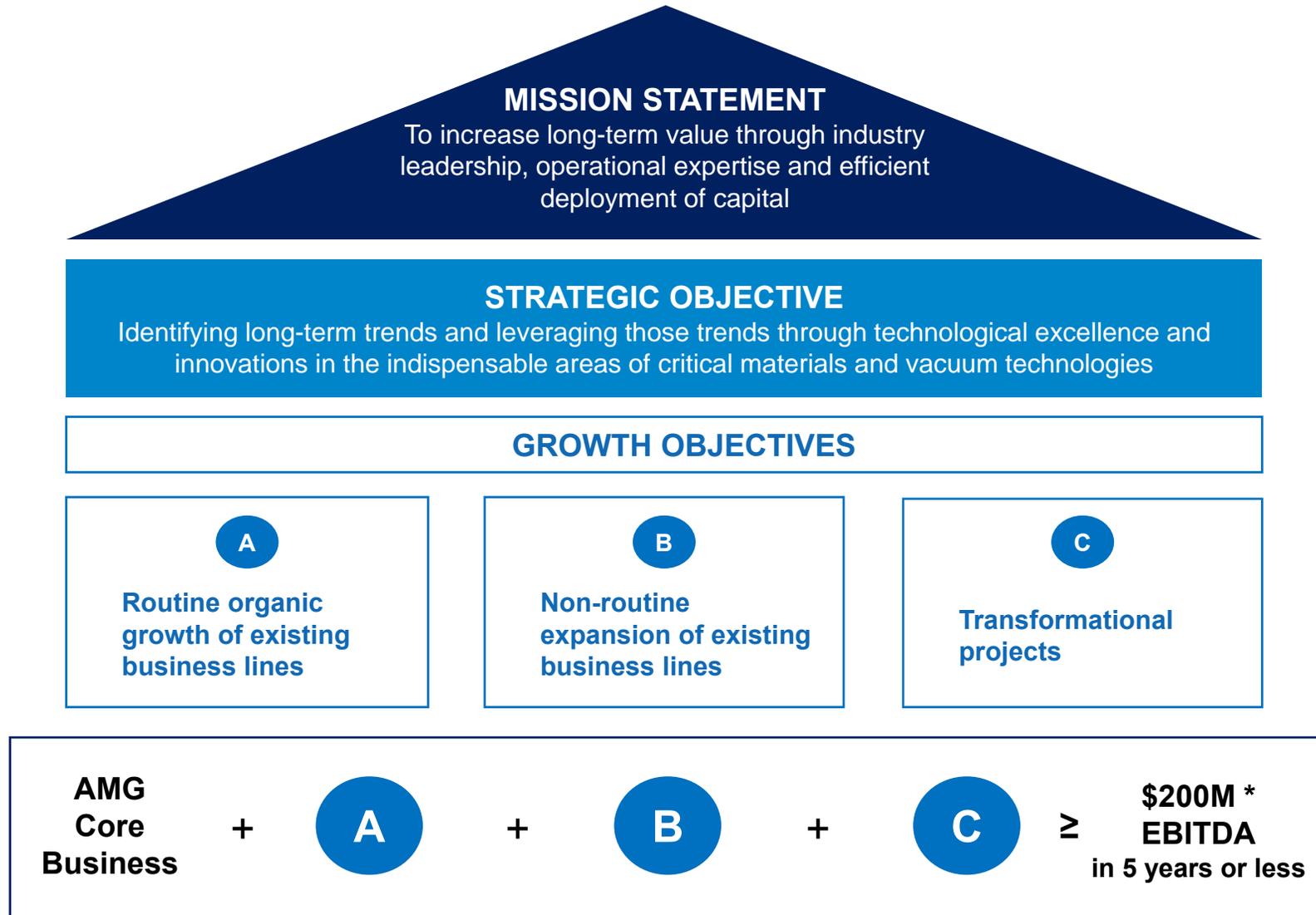
AMG: MITIGATING TECHNOLOGIES

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

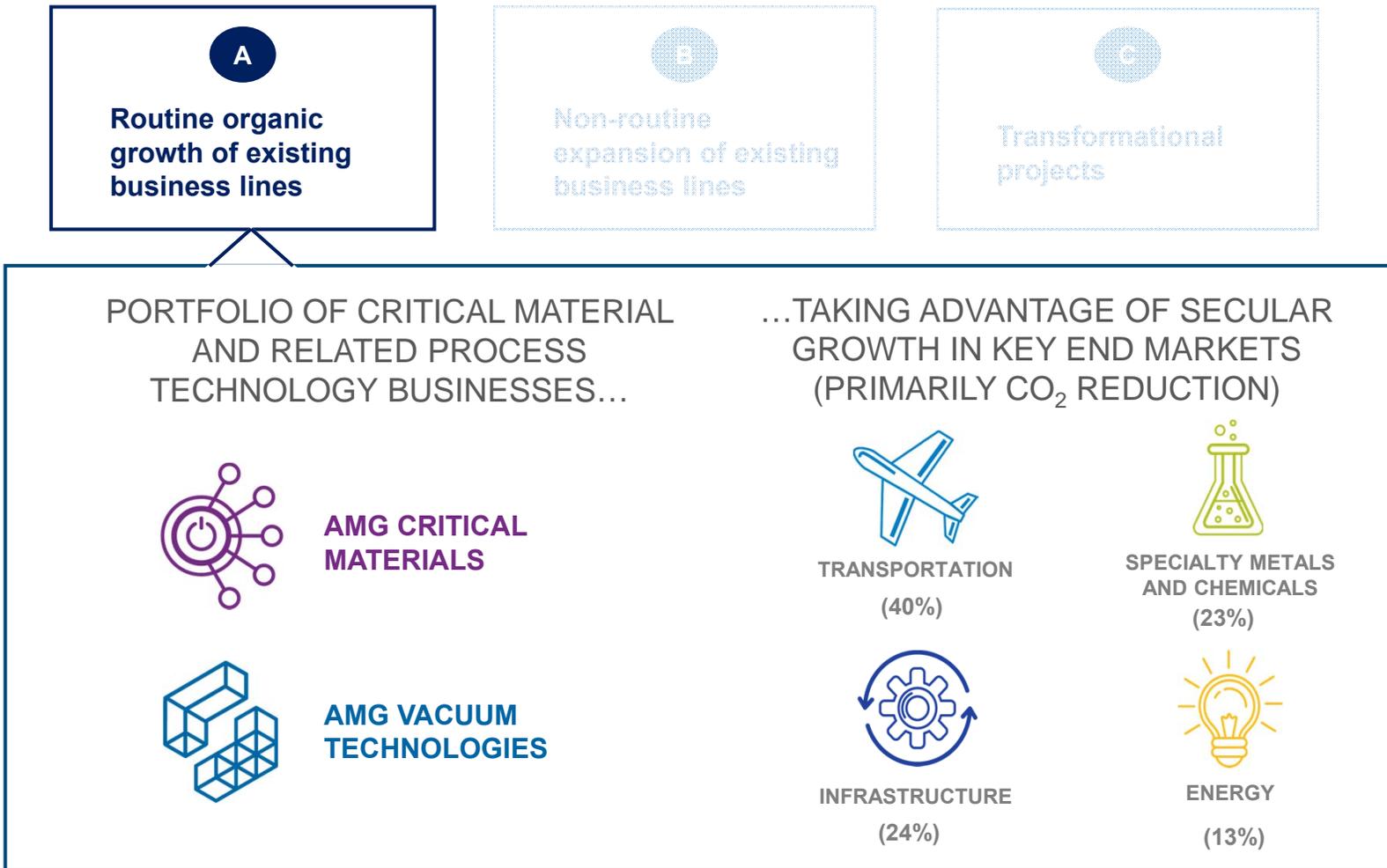
AMG: ENABLING TECHNOLOGIES

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

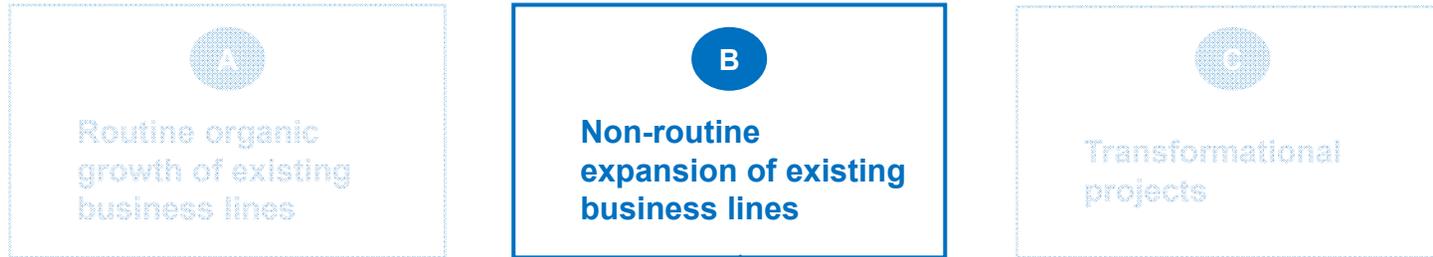


LEVERAGING A STABLE PORTFOLIO OF INDUSTRY-LEADING BUSINESSES



Example: AMG Graphite, ongoing expansion of heat insulation materials business

OPPORTUNISTIC INVESTMENTS IN “NON-ROUTINE” EXPANSION PROJECTS



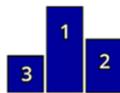
“Non-routine” project characteristics:



Capex intensive



Stepping up growth across the portfolio



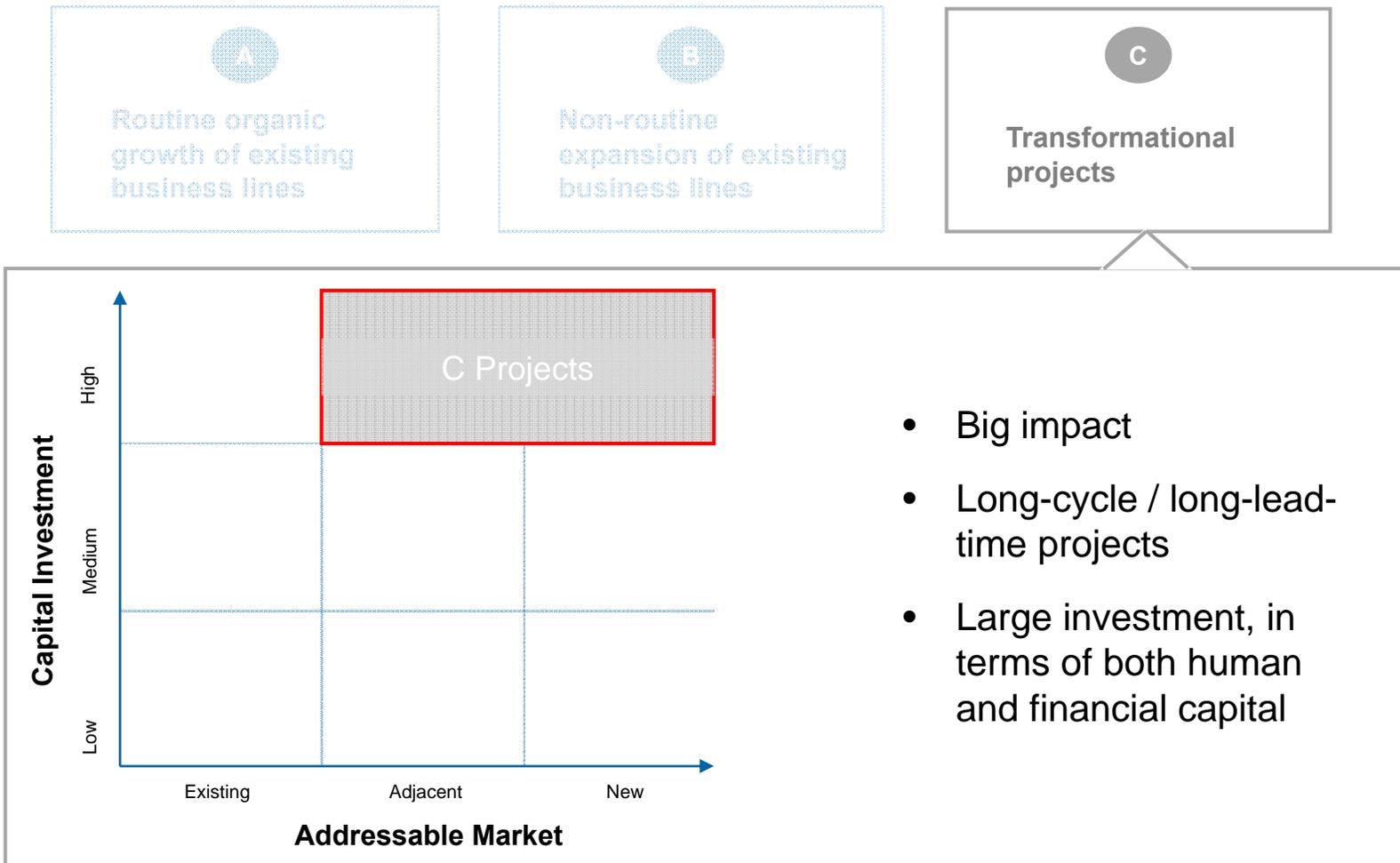
Solidifying segment leadership



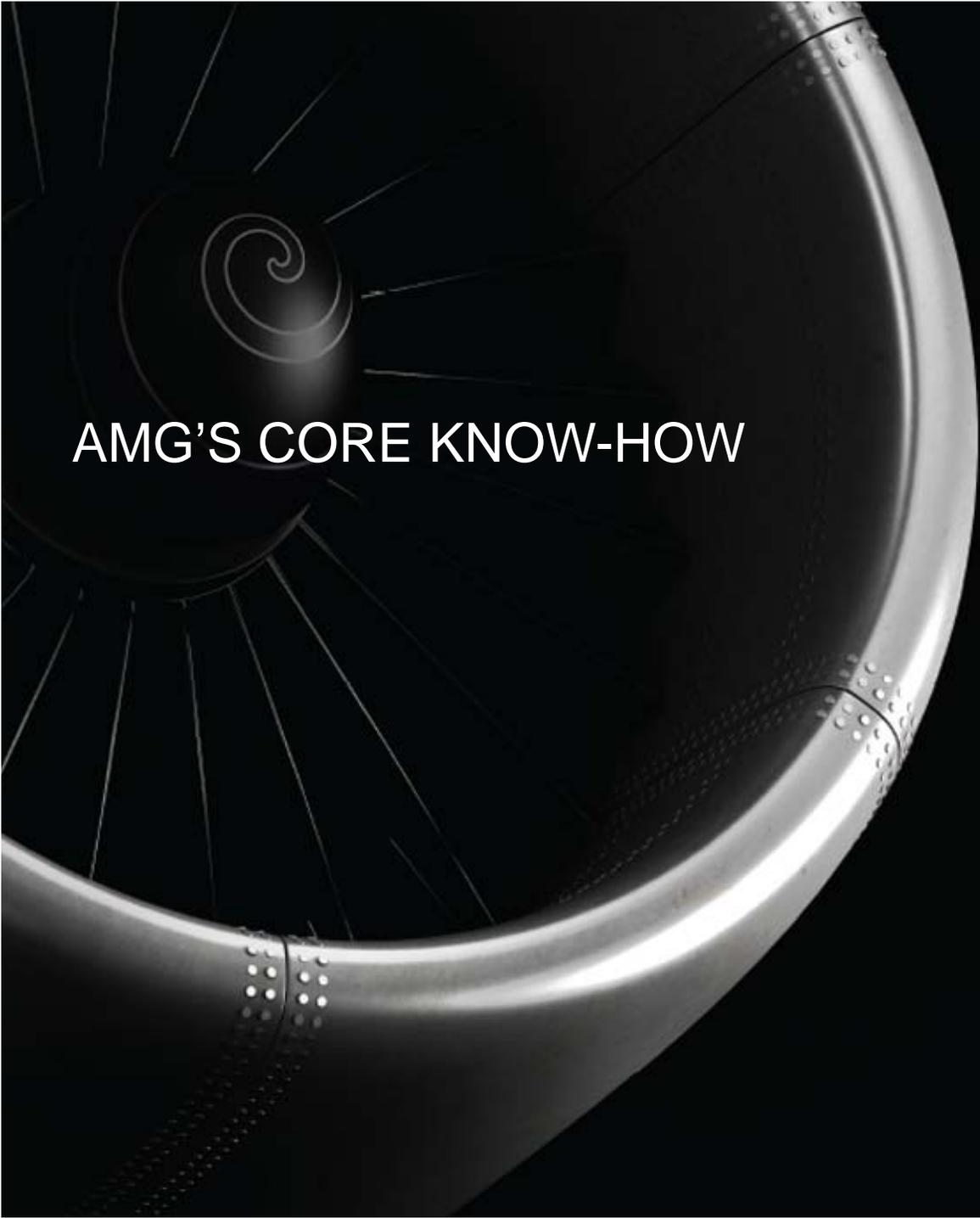
Process innovation

Example: AMG Titanium Alloys & Coatings, ongoing expansion of industry leading Titanium Aluminides business

IDENTIFYING AND EXECUTING ON TRANSFORMATIONAL PROJECTS



Example: Execution of AMG's transformational lithium project



AMG'S CORE KNOW-HOW

PROCUREMENT

Sourcing material from remote origins

OPERATIONS

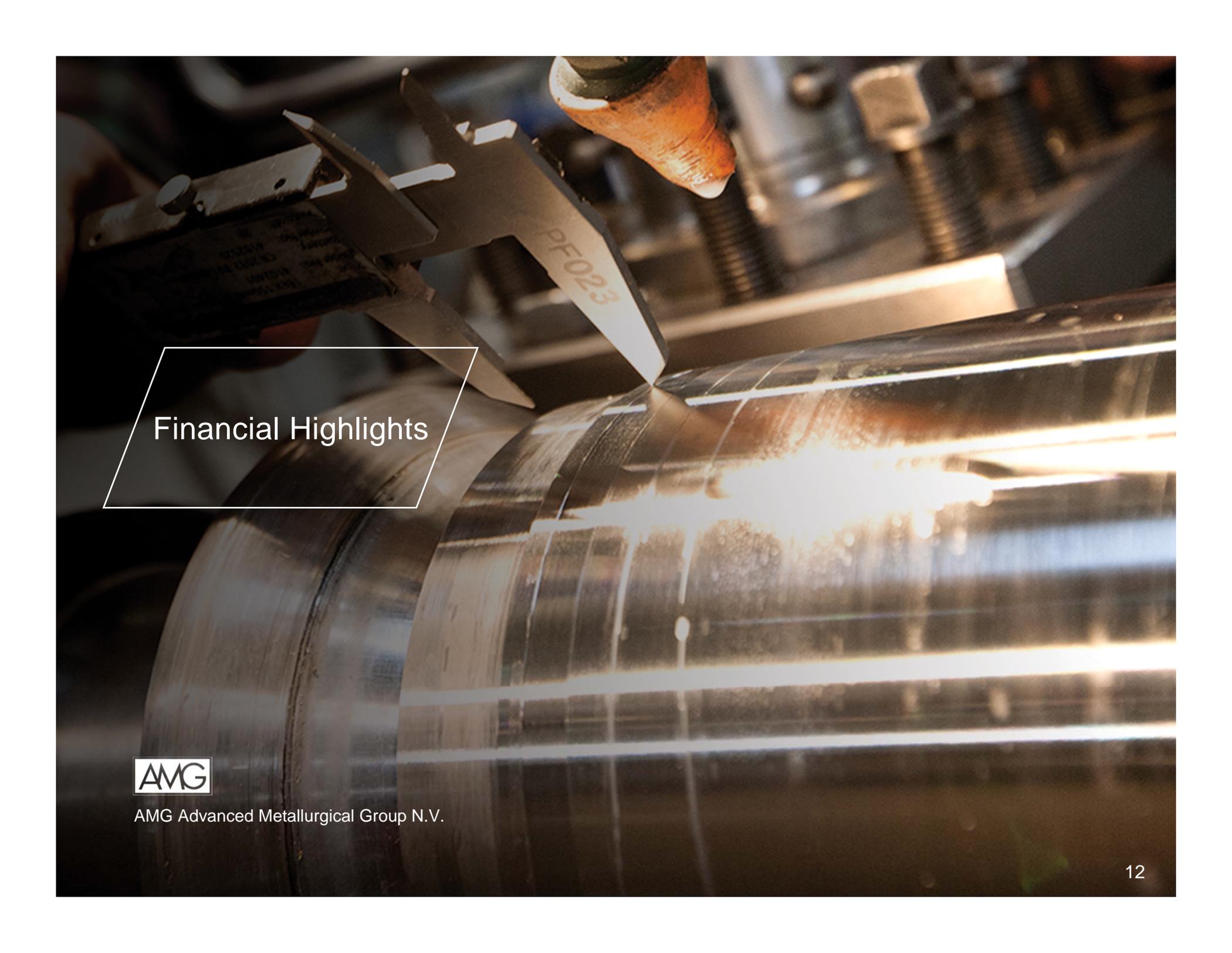
World leader in advanced metallurgical & mineral processing

MARKETS

Operating in volatile oligopolistic niche markets

CUSTOMERS

Intense interaction with global industrial leaders



Financial Highlights

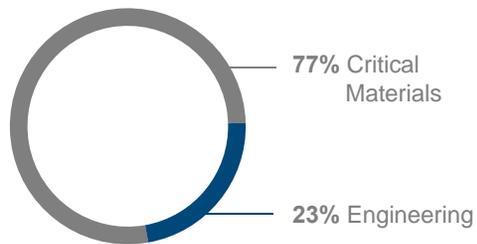


AMG Advanced Metallurgical Group N.V.

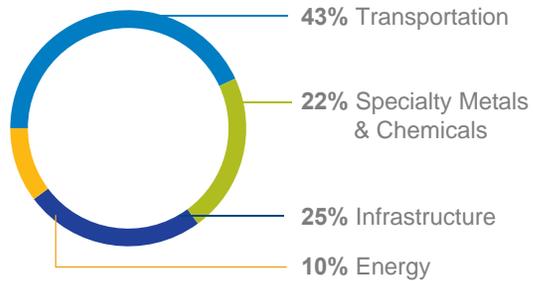
AMG AT A GLANCE

Q2 2017 REVENUE

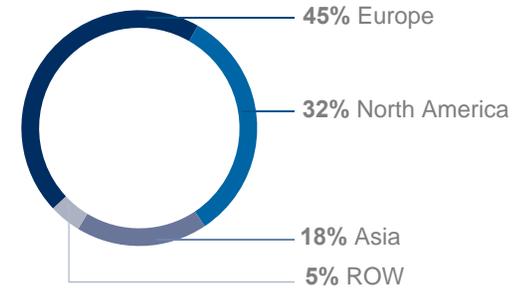
BY SEGMENT:



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

~3,000
Employees

~\$1 billion
Annual Revenues

At the forefront of
CO₂ Reduction

Q2 2017 AT A GLANCE

| AMOUNTS IN \$M (EXCEPT EARNINGS PER SHARE) | Q2 2017 | Q2 2016 | % CHANGE |
|--|----------------|----------------|-----------------|
| Revenue | \$262.0 | \$248.3 | 6% |
| Gross Profit * | \$54.3 | \$53.3 | 2% |
| Gross Margin % | 20.7% | 21.5% | (4%) |
| Profit Before Income Taxes | \$20.8 | \$15.6 | 33% |
| EBITDA | \$31.9 | \$26.0 | 23% |
| EBITDA Margin % | 12.2% | 10.5% | 16% |
| Net Debt | \$7.3 | \$5.5 | 33% |
| Return On Capital Employed (ROCE) | 23.9% | 17.8% | 34% |
| Net Income Attributable To Shareholders | \$13.1 | \$13.4 | (2%) |
| Earnings Per Share | 0.42 | 0.48 | (13%) |

- Q2 '17 EBITDA up 23% versus Q2 '16 due to improved profitability within both AMG Critical Materials and AMG Engineering
- Annualized ROCE increased to 23.9% in Q2 2017 versus 17.8% for Q2 2016

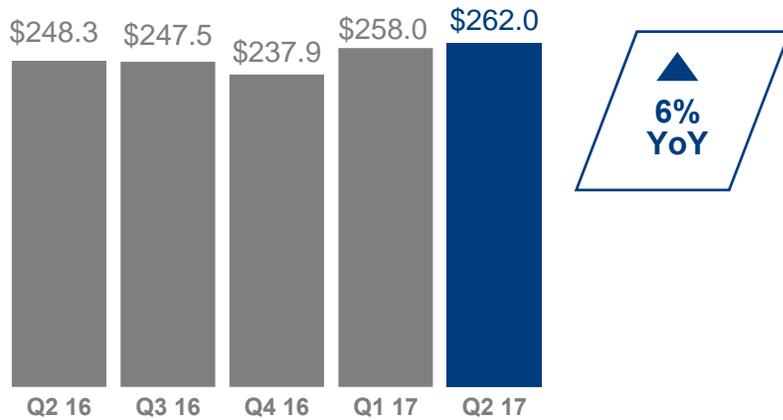
**Net Debt Reduction
of \$80.5 million since
December 2014**



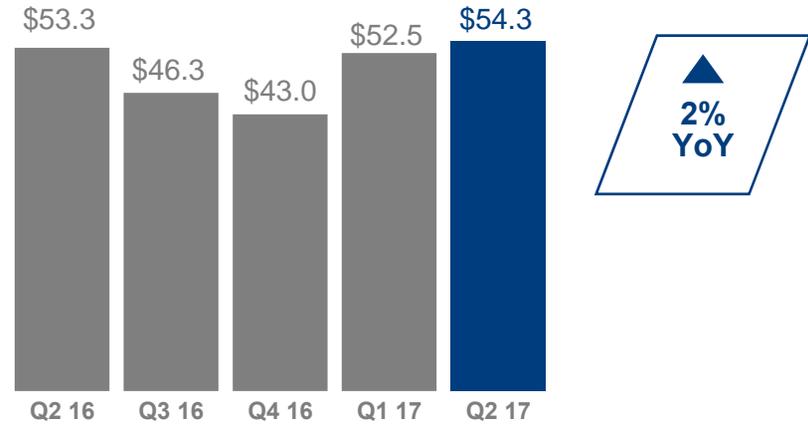
* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA's latest recommendations.

FINANCIAL HIGHLIGHTS

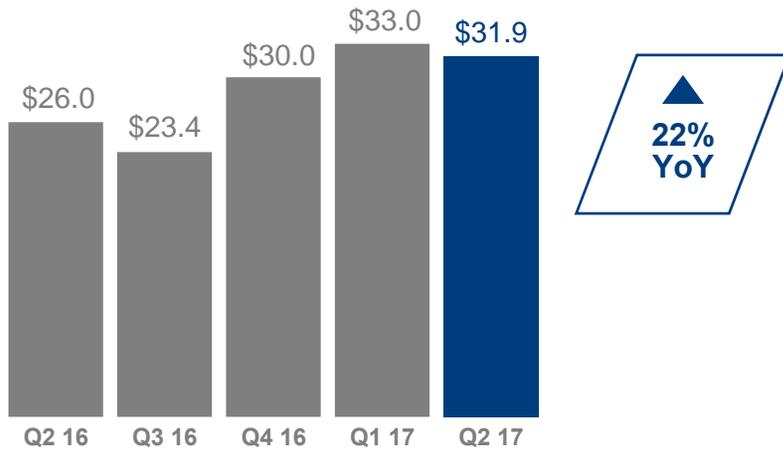
REVENUE (IN MILLIONS OF US DOLLARS)



GROSS PROFIT * (IN MILLIONS OF US DOLLARS)



EBITDA (IN MILLIONS OF US DOLLARS)



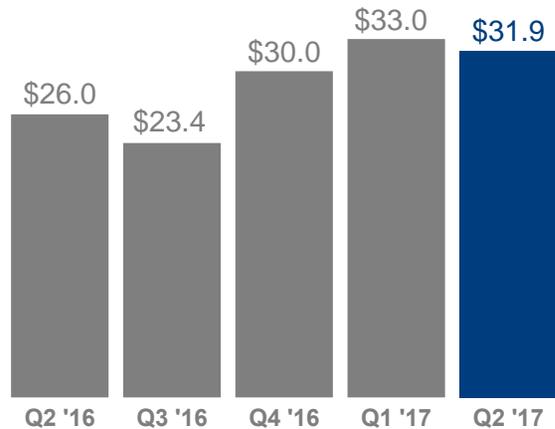
ORDER INTAKE (IN MILLIONS OF US DOLLARS)



* Gross Profit has been restated to include restructuring expenses and asset impairment expenses, in order to take into consideration ESMA's latest recommendations.

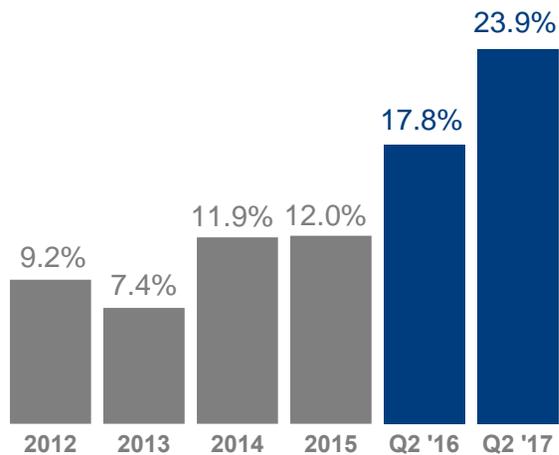
FINANCIAL DATA: ROCE & EBITDA

EBITDA (IN MILLIONS OF US DOLLARS)



**Q2 '17 EBITDA
UP 22%
VERSUS Q2 '16**

Annualized ROCE



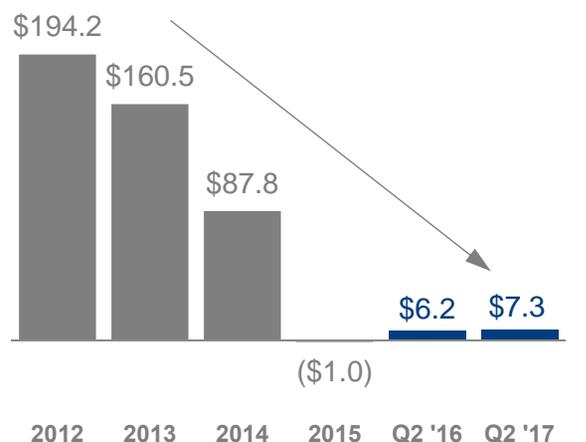
**Q2 '17 ROCE
IMPROVED TO
23.9% FROM
17.8% IN Q2 '16**

- Q2 '17 EBITDA up 22% versus Q2 '16 due to improved profitability within both AMG Critical Materials and AMG Engineering

- Q2 2017 annualized ROCE improved to 23.9% from 17.8% in Q2 2016
- ROCE improvements are the result of efficient use of capital and improved profitability

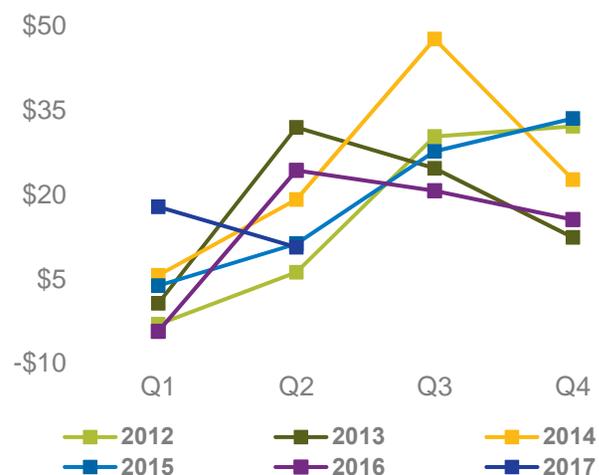
FINANCIAL DATA: NET DEBT & NET CASH FROM OPERATIONS

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



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

OPERATING CASH FLOW (IN MILLIONS OF US DOLLARS)



**Q2 2017
OPERATING
CASH FLOW
OF \$10.6M**

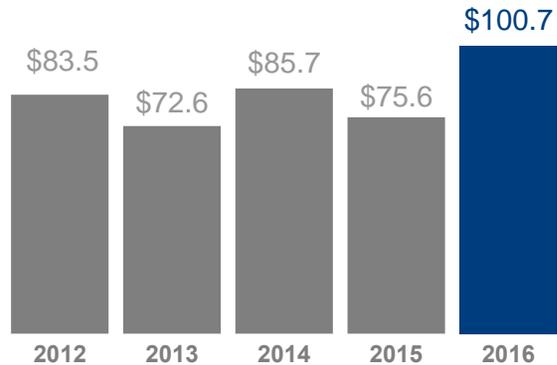
- Net debt: \$7.3 million
 - \$186.9 million reduction of net debt since December 31, 2012
- AMG's primary debt facility is a \$400 million multicurrency term loan and revolving credit facility
 - 5 year term (until 2021) with an accordion feature that allows the Company, subject to certain conditions, to increase the commitment amount by up to \$100 million
 - In compliance with all debt covenants
- AMG generated cash from operating activities of \$28.5 million for the first half of 2017, \$8.5 million higher than the first half of 2016

AMG GROUP FINANCIAL PERFORMANCE – 2016 v 2015 ANNUAL

| | 2016 | 2015 | % CHANGE |
|---------------------------|---------|---------|--|
| Gross Profit (\$M) | \$186.8 | \$160.0 |  17% |
| EBITDA (\$M) | \$100.7 | \$75.6 |  33% |
| Operating Cash Flow (\$M) | \$79.2 | \$76.3 |  4% |
| ROCE | 18.8% | 12.0% |  57% |
| Earnings per Share | \$1.32 | \$0.40 |  230% |
| Dividend per Share | €0.27 | €0.21 |  29% |

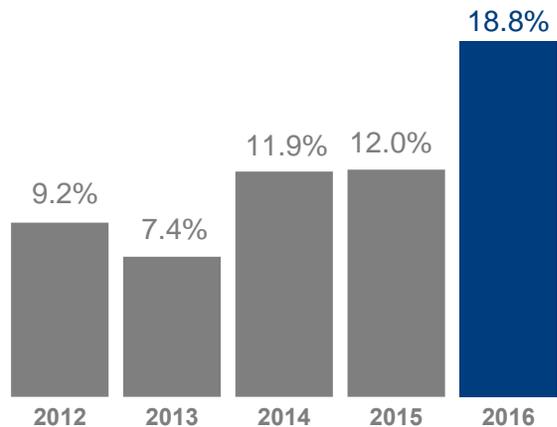
5 YEAR TREND – EBITDA & ROCE

EBITDA (IN MILLIONS OF US DOLLARS)



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

Annualized ROCE



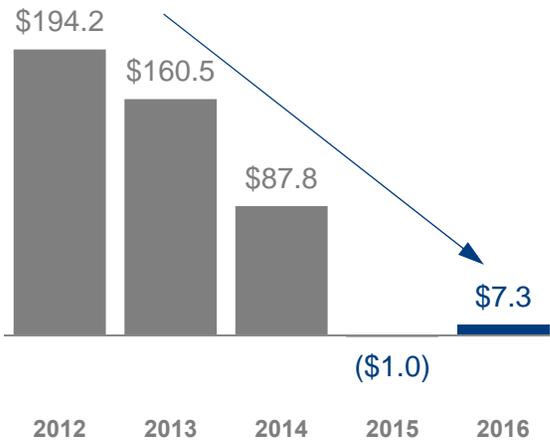
**FY '16 ROCE
IMPROVED TO
18.8% FROM
12.0% IN FY '15**

- 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

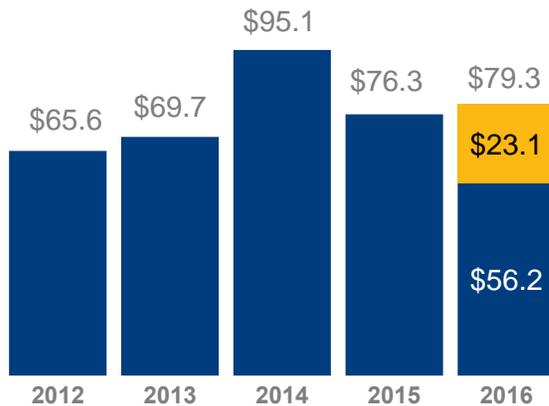
5 YEAR TREND – NET DEBT & OPERATING CASH FLOW

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



AMG Lithium

AMG

AMG Advanced Metallurgical Group N.V.

AMG'S INTEGRATED LITHIUM STRATEGY

Lithium I

Lithium II

Lithium III

Upstream
(Spodumene)

Downstream
(Lithium Chemicals)

Spodumene Plant 1
90k MT per annum of
spodumene
production

Status: *Under
construction*

Spodumene Plant 2
Increase spodumene
production to 180k MT
per annum

Status: *Engineering
& due diligence*

Lithium Chemical Plant
Participation in lithium
value chain downstream

Potential Joint Venture
structure with existing
producer and/or
consumer of lithium
chemicals

Status: *Feasibility
study & due diligence*

AMG LITHIUM – PROJECT STRENGTHS

- 1) Existing management and mining infrastructure – not a new mine project
- 2) Strong understanding of the mine geology
- 3) Mining infrastructure already in place and operational
- 4) Ore extraction and crushing costs absorbed by profitable tantalum operation
- 5) 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
- 6) AMG has operated a spodumene pilot plant since 2010
- 7) Strategic flexibility to further develop operational scope

AMG has operated the Mibra mine for 38 years

AMG LITHIUM – SPODUMENE PROJECT OVERVIEW

Lithium Concentrate (Spodumene) Project

OBJECTIVE

Monetization of substantial lithium mineral deposits currently residing in AMG Mineração's tailings ponds and tailing stockpiles

Production facility to be co-located with AMG Mineração's tantalum mine and upgrading plant in Brazil

TARGETED PRODUCTION

180,000 MT per year of lithium concentrate

STATUS

Plant 1 (90,000 MT per annum) capital investment of approximately \$50m was approved by the AMG Supervisory Board on July 19th, 2016. Production to commence mid-2018

Plant 2 (expansion to 180,000 MT per year) final investment decision expected Q4 2017



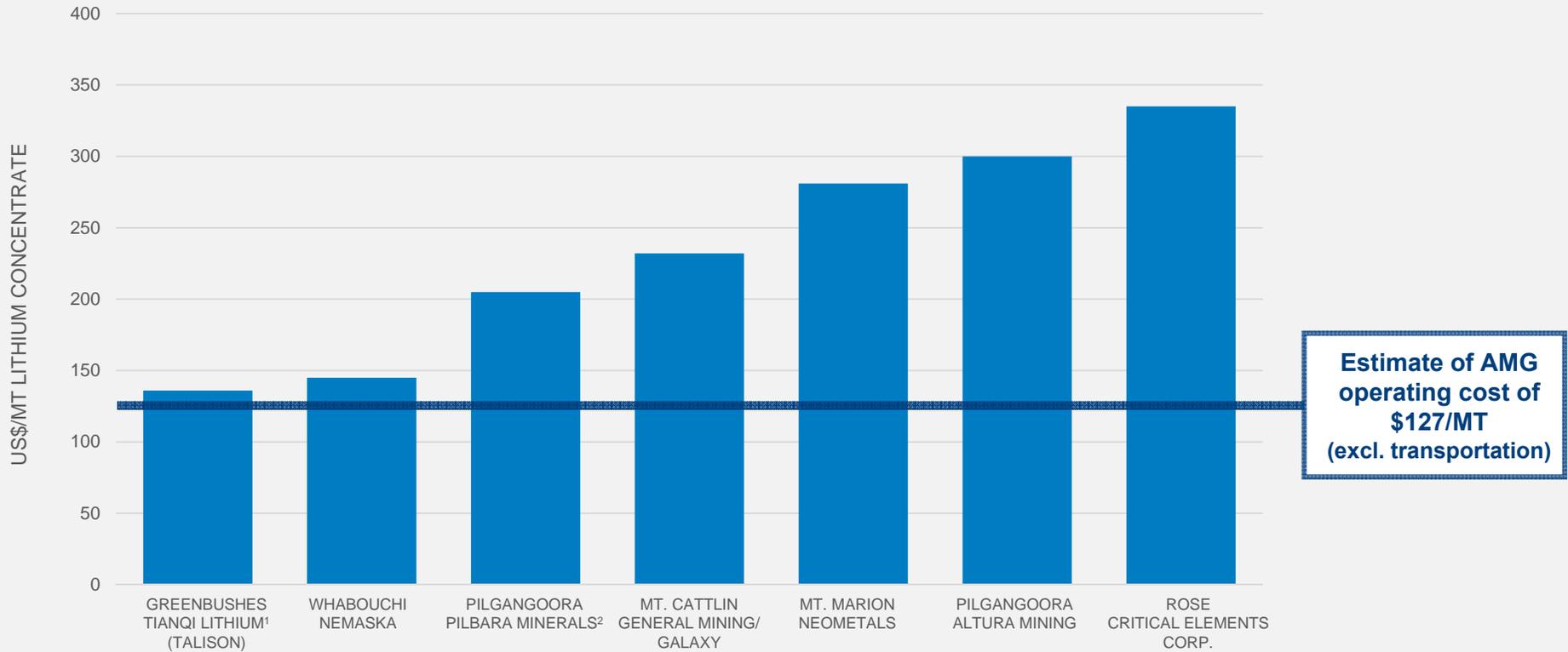
AMG's objective is to be the low-cost producer of spodumene globally

SPODUMENE PROJECT STATUS

| | | Status |
|--------------------------------------|--|-------------------------------------|
| Construction Approval | AMG approved construction of lithium concentrate plant at the AMG Mibra mine, with annual production of 90,000 tons | Complete |
| EPC Contract Awarded | AMG awarded EPC contract to Outotec (Finland) for turnkey delivery of lithium concentrate plant | Complete |
| Offtake Agreement Established | AMG announced a multi-year contract to supply 90,000 tons per year of lithium concentrate; deliveries commencing mid-2018. | Complete |
| Resource Expansion | Updated resource statement published 3 April 2017 – estimated life of the mineral resource is approximately 20 years, based upon targeted production level of 180k MT of lithium concentrate starting 2020 | Complete |
| Increased Production | Targeted increase in annual lithium concentrate production, to a capacity of 180,000 tons, by end of 2019 | Engineering work in progress |

Full offtake agreement established & production expected to commence mid-2018

AMG COST POSITION – LITHIUM CONCENTRATE (SPODUMENE)



Source: Roskill 2016, Ehren Gonzalez Ltda, Hatch; Note – Operating costs only, not including transportation
 Note: AMG cost estimates per Outotec of \$127/MT; includes production costs and SG&A costs; does not include cost of transportation to port

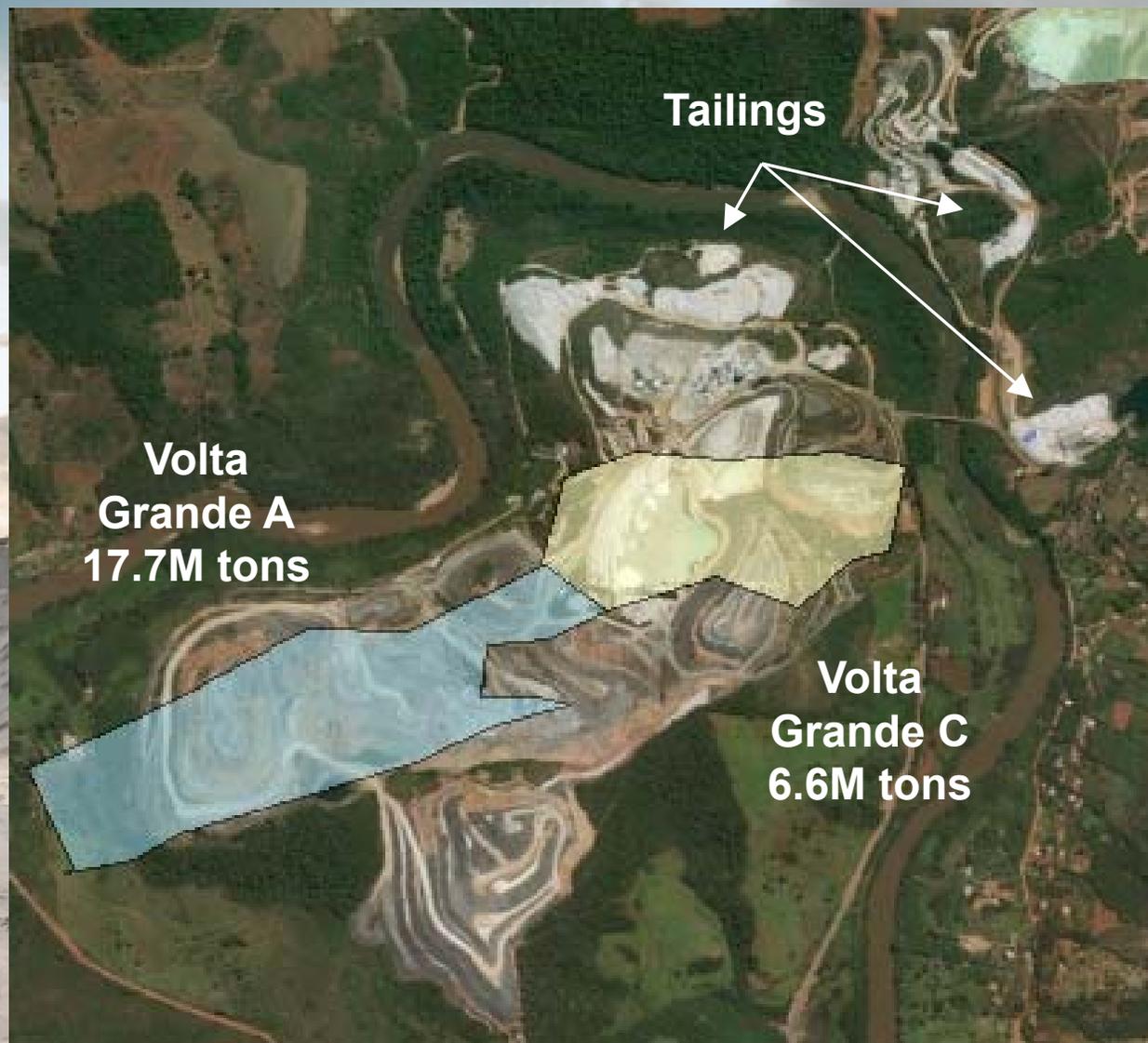
¹ Greenbushes cost includes G&A but excludes selling expenses

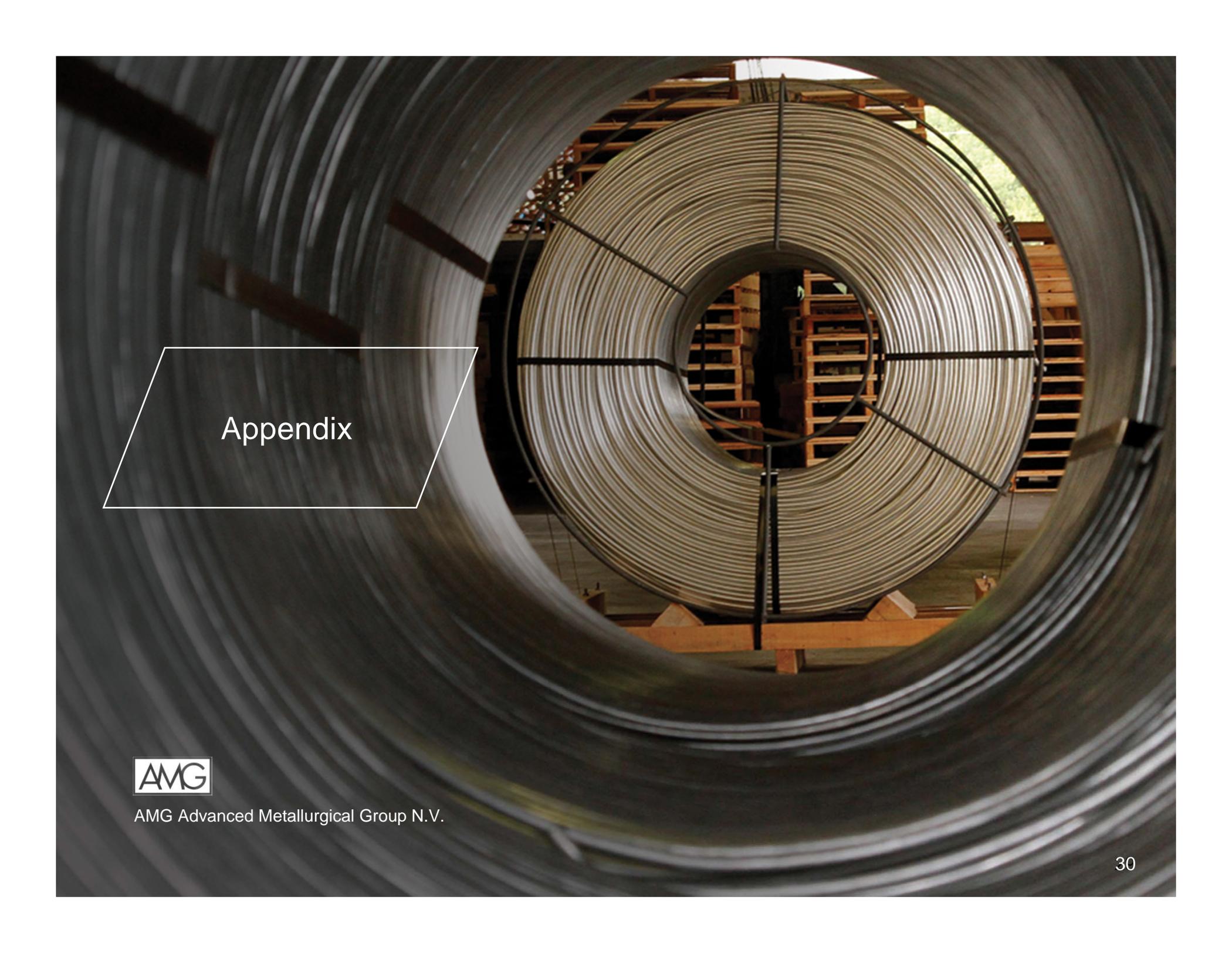
² Pilbara Minerals figure includes credits from tantalite production; includes transport and loading costs of \$37/t concentrate

LITHIUM: CAPTURING THE VALUE DOWNSTREAM



LITHIUM RESOURCE MAP



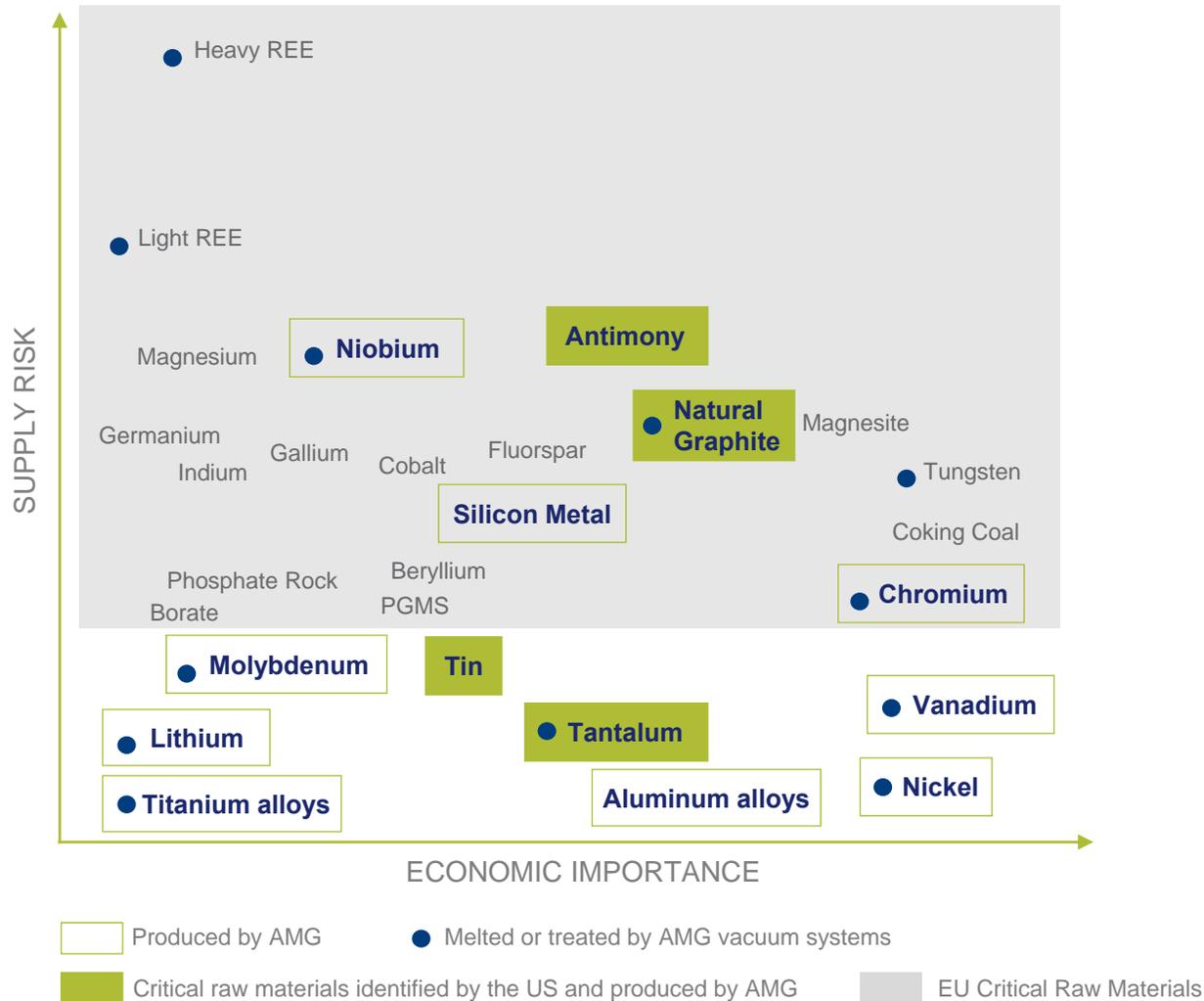


Appendix



AMG Advanced Metallurgical Group N.V.

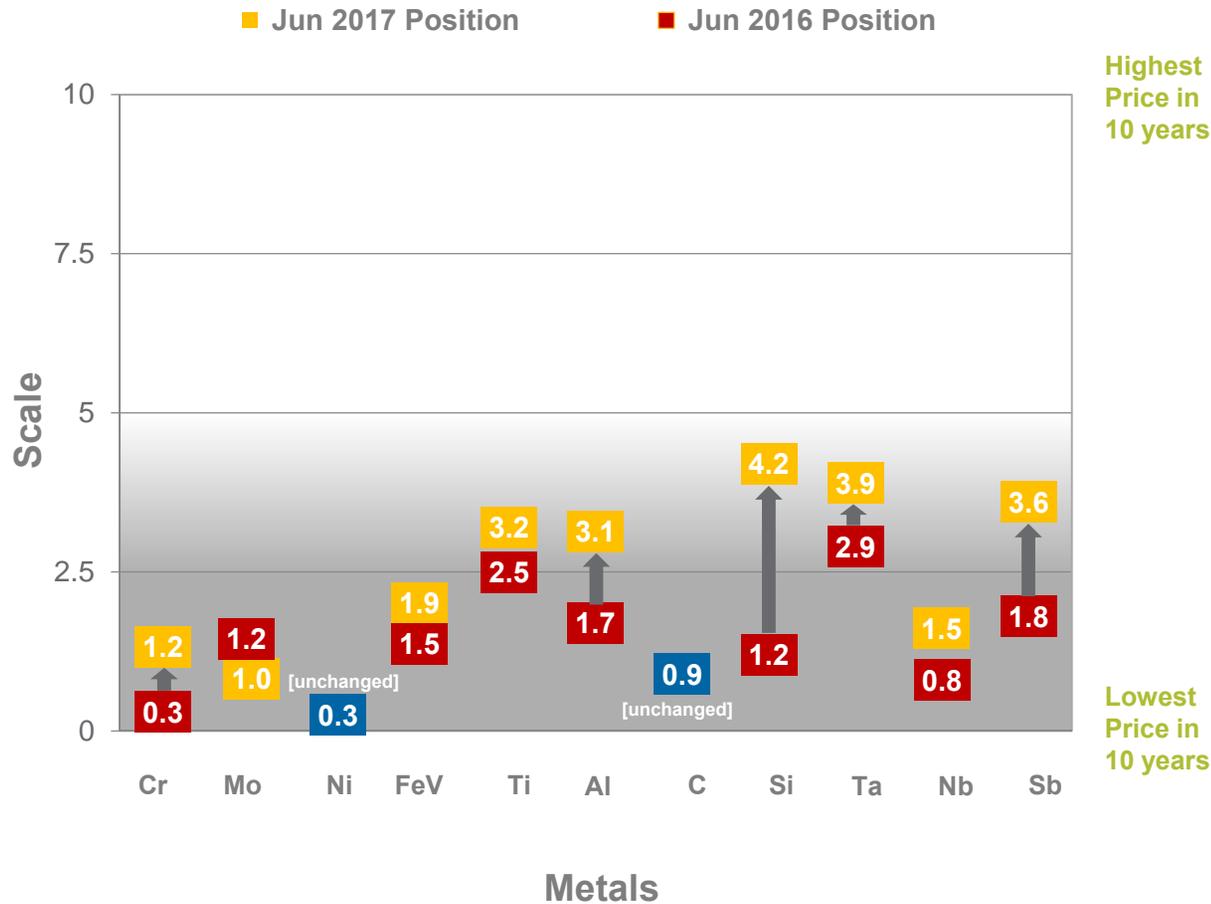
CRITICAL RAW MATERIALS



- The EU identified 20 critical raw materials* to the European economy in 2014, 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:
 - 5 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

*Report on Critical Raw Materials for the EU, May 2014; Strategic and Critical Materials 2015 Report on Stockpile Requirements by Department of Defense in January 2015.

CRITICAL MATERIALS PRICES: 10 YEAR PERSPECTIVE

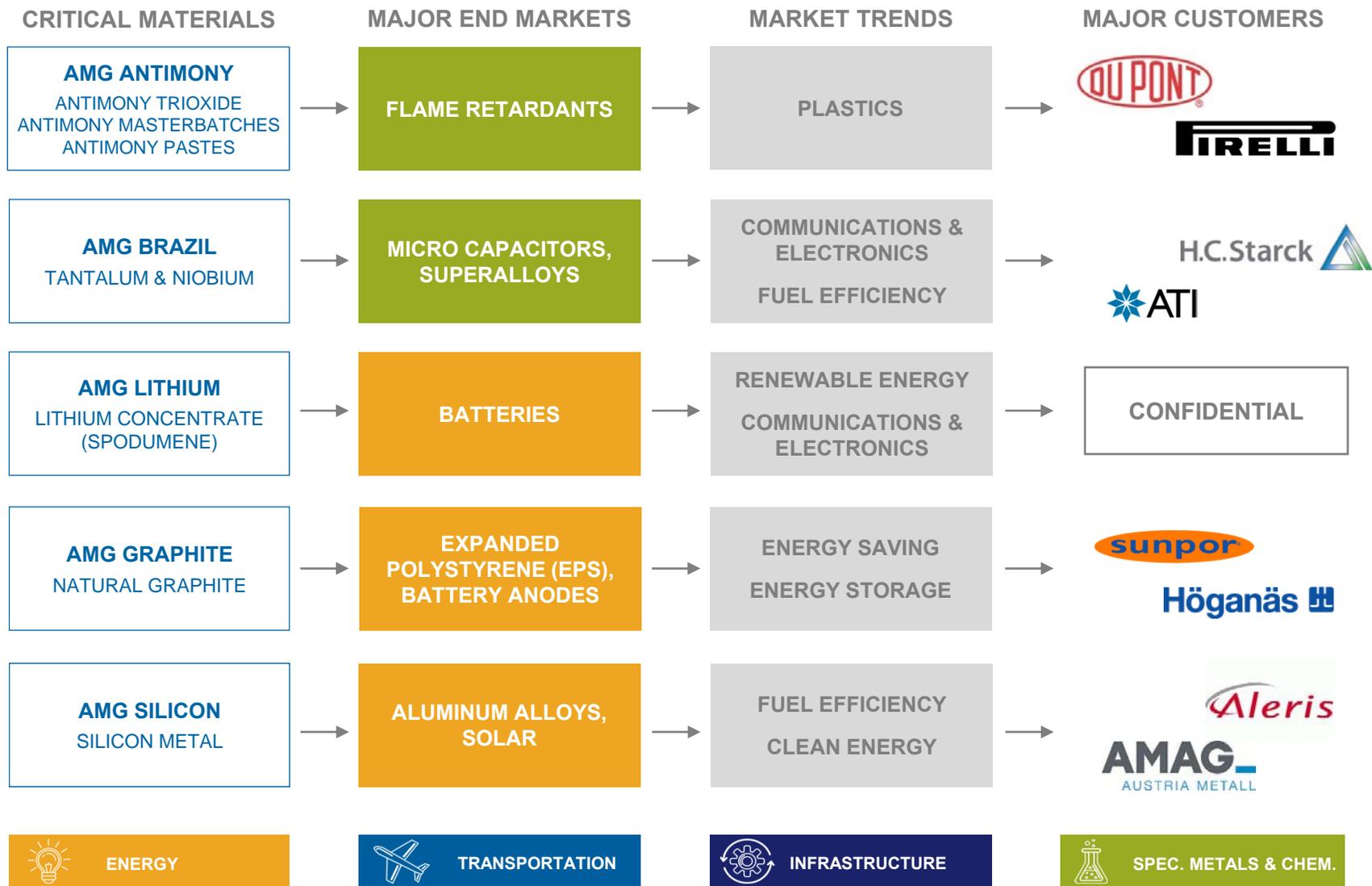


- Metal prices are measured on a scale of 0 to 10, with 0 and 10 representing the minimum and maximum average quarterly prices occurring during the past 10 years
- The positions demonstrate the current price level of each metal with respect to their various historical price points over the past 10 years

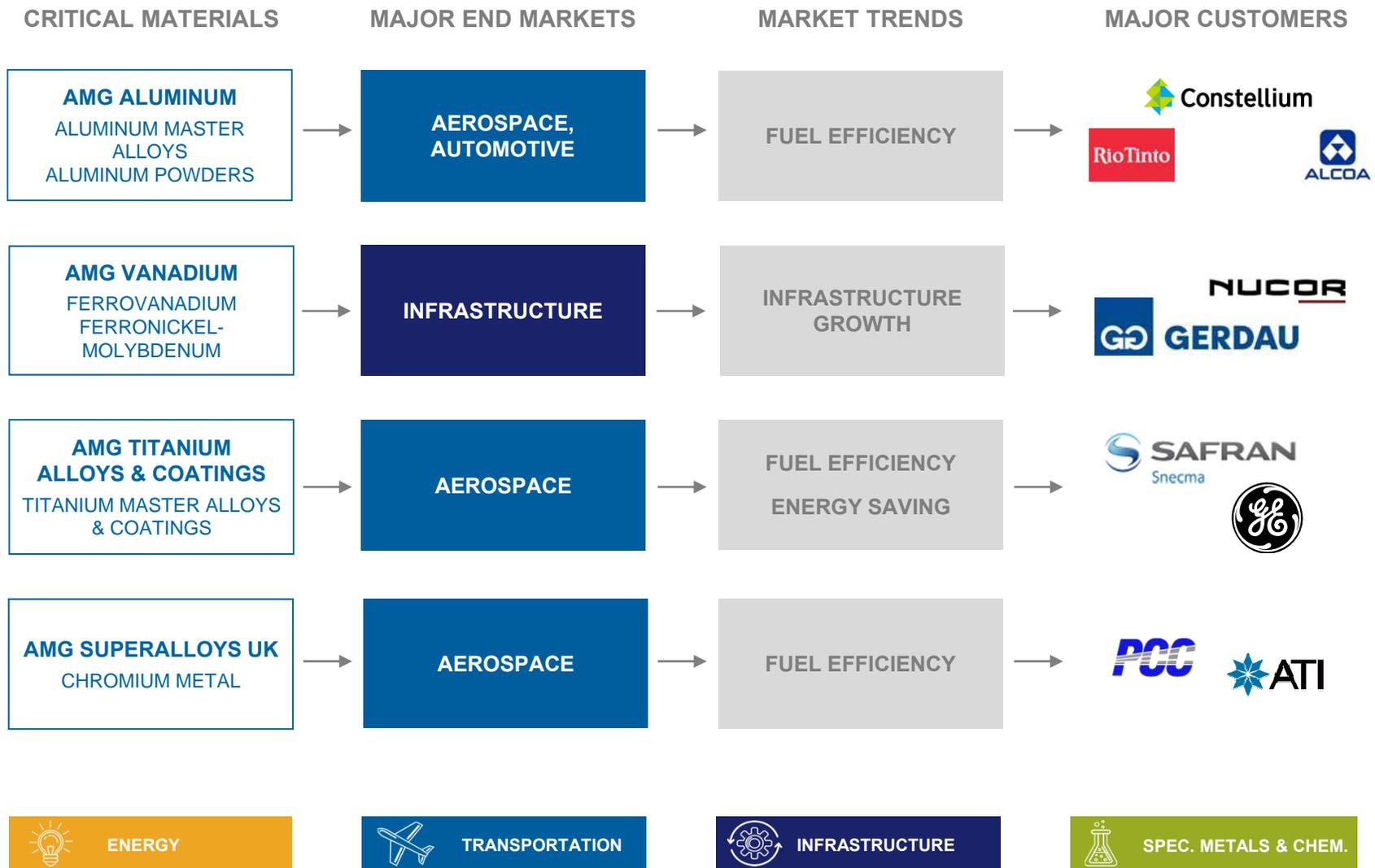
AMG's relevant prices have started to move into the second quartile

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 $[(\text{Jun '07 month avg} - \text{min. monthly avg}) / (\text{max. monthly avg} - \text{min. monthly avg}) * 10]$ where maximum and minimum monthly averages are measured over the period 1 Jun '07 through 30 Jun '17.

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

 **CARPENTER**
 **ThyssenKrupp**
 **Rolls-Royce**

AMG ENGINEERING
VACUUM HEAT TREATMENT
SERVICES

**AEROSPACE,
AUTOMOTIVE**

FUEL EFFICIENCY

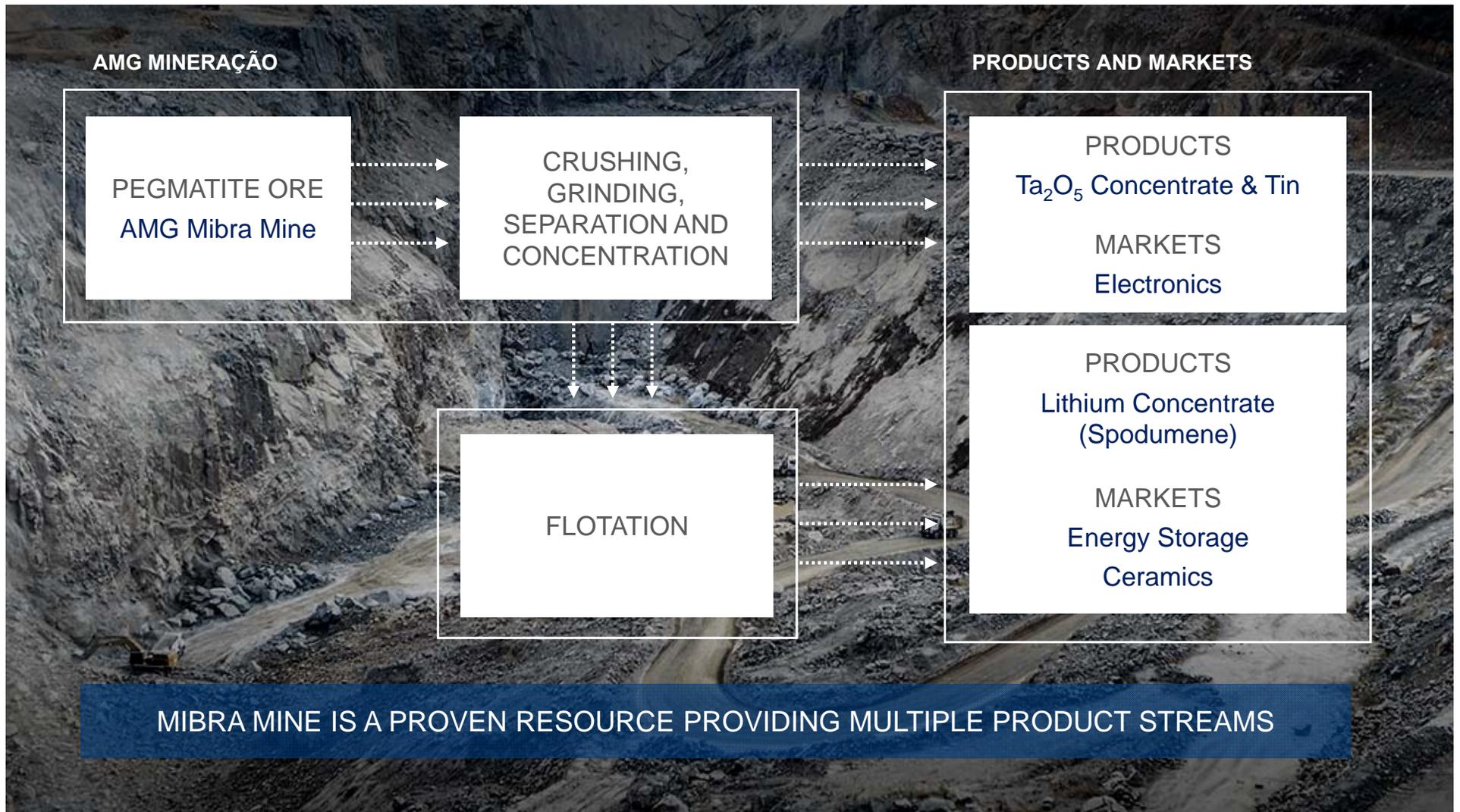

 **ENERGY**

 **TRANSPORTATION**

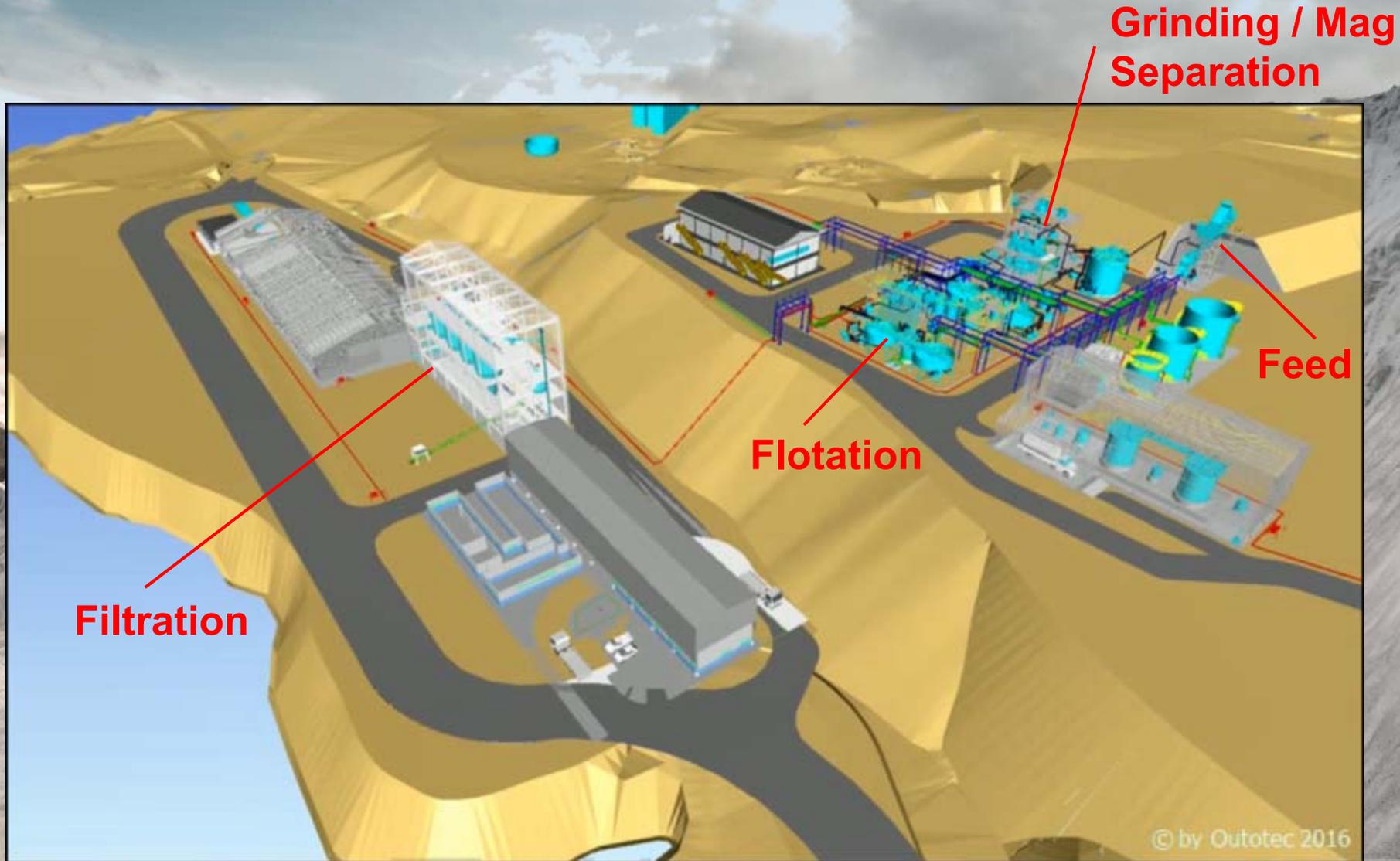
 **INFRASTRUCTURE**

 **SPEC. METALS & CHEM.**

SPODUMENE PRODUCTION PROCESS OVERVIEW



FIRST SPODUMENE PLANT – LAYOUT



HEALTH AND SAFETY FOCUS

LEADING SAFETY INDICATORS

- The number of safety improvement items reported in Q2 2017 was 3% lower than in Q2 2016. These are essential in order to avoid potential injuries.
- Safety training hours increased 4% in Q2 2017 compared to Q2 2016.
- At the end of Q2 2017, lost time incident rate was 48% lower and total incident rate and incident severity rate were down 41% and 36%, respectively, from Q2 2016.

| YEAR | LOST TIME INCIDENT RATE | | INCIDENT SEVERITY RATE | |
|-------|-------------------------|---|------------------------|---|
| 2013 | 1.76 | ↓ | 0.21 | ↑ |
| 2014 | 1.20 | ↓ | 0.19 | ↓ |
| 2015 | 1.03 | ↓ | 0.17 | ↓ |
| 2016 | 1.04 | → | 0.11 | ↓ |
| 2017* | 0.69 | ↓ | 0.09 | ↓ |



Rigorous commitment to safety reflected in continually improving safety records