

Neometals Chairman David Reed converts debt to equity

Neometals {ASX: NMT} Chairman David Reed issued a statement of support for the company, by converting his 2 million loan notes into shares of the company.

This tidies up the balance sheet, removing a liability at no direct financial cost to the company.

Comment.

Whilst prima facie this doesn't look like a good deal for shareholders as the conversion price is so low, it is important to remember when the company was on its knees financially David Reed stepped up and invested his own money to stave off collapse.

At that point he was taking a huge risk with his personal capital, so it is only fair that after taking that risk, and investing his own time and effort in changing the focus and turning around the company, he reaps the reward now, in my opinion.

The day he made the investment the shareholders breathed a sigh of relief as the future looked very dark, but the tunnel has been exited and this management team have delivered in spades.

The Reed family are fourth generation miners, and is a shining example that management quality is so important.

Good management can run a bad project, but it "t work the

other way around, as many junior companies are illustrating in this poor market!

Issue of shares on conversion of convertible notes

Neometals Ltd {ASX: NMT} has informed the market that its Chairman, Mr David Reed has today elected to convert the 2,000,000 Convertible Notes he held into fully paid ordinary shares in the Company (Shares).

Mr David Reed has advised the Company that after recently completing a restructure of his personal affairs (as was announced to the ASX on 11 November 2015), ***he has no present intention to sell down any of his current Shareholding in the Company.***

An Appendix 3B and a notice given under section 708A(5)(e) in respect of the issue of the Shares are attached.

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[Appendix 3B](#)

[Rule 2.7, 3.10.3, 3.10.4, 3.10.5](#)

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Neometals Ltd

ABN

89 099 116 631

We (the entity) give ASX the following information.

Part 1 – All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1

+Class of +securities issued or to be issued

Fully paid ordinary shares.

2

Number of +securities issued or to be issued (if known) or maximum number which may be issued

50,000,000

3

Principal terms of the

+securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if

+convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares.

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

4

Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

the date from which they do

the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment

the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes – the new shares will rank equally in all respects from the date of allotment with the fully paid ordinary shares in Neometals Ltd currently on issue.

5

Issue price or consideration

Nil cash consideration.

6

Purpose of the issue

(If issued as consideration for the acquisition of assets, clearly identify those assets)

Issue of shares on conversion of 2,000,000 convertible notes at a conversion price of

\$0.04 per convertible note.

6a

Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?

If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i

No

6b

The date the security holder resolution under rule 7.1A was passed

N/A

6c

Number of +securities issued without security holder approval under rule 7.1

N/A

+ See chapter 19 for defined terms.

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+ See chapter 19 for defined terms.

6d

Number of +securities issued with security holder approval under rule 7.1A

N/A

6e

Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)

N/A

6f

Number of +securities issued under an exception in rule 7.2

N/A

6g

If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the

+issue date and both values. Include the source of the VWAP calculation.

N/A

6h

If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

N/A

6i

Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

N/A

7

+Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with

the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

18 November 2015

Number

+Class

8

Number and +class of all

+securities quoted on ASX (including the +securities in section 2 if applicable)

559,039,983

Fully paid ordinary shares

Appendix 3B New issue announcement

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