

Neometals commence DFS on their patented ELi process

Neometals Ltd {ASX: NMT} and Mineral Resources Limited {ASX: MIN} have announced the commencement of a DFS study on their patented ELi process to produce lithium hydroxide from spodumene.

Completion is due June 2016.

Neometals Ltd {ASX: NMT} and Mineral Resources Limited {ASX: MIN} are pleased to announce the commencement of a Definitive Feasibility Study on their patented ELi Process, to produce 20,000 tonnes per annum of battery grade Lithium Hydroxide directly from spodumene (lithium oxide) concentrates.

All downstream lithium processing technology and patents associated with the ELi Process are owned by **Reed Advanced Materials Pty Ltd ("RAM")**, which is beneficially owned 70:30 by the Company and Min Res.

Neometals and MIN as equity holders in the Mt Marion Lithium Project are entitle to purchase up to 51% of lithium concentrates produced from the Mt Marion Lithium Project after the third year of production.

A Pre-feasibility Study conducted in 2012 demonstrated the potential for the ELi Process to deliver industry leading operating costs (US\$3,877/t LiOH) and robust financial

returns (NPV 12% US\$321 M and IRR 94%). The DFS will incorporate the results of a semi-pilot scale test work program conducted by a specialist chlor-alkali laboratory in Buffalo, USA in 2014.

The semi-pilot plant exceeded expectations in the purification of lithium chloride solutions and current efficiency across the electrolysis membrane, exceeding assumptions in the Pre-feasibility study ("PFS").

The DFS is expected to be completed in the June quarter 2016.

The full announcement can be downloaded here: <http://www.neometals.com.au/reports/622-lithium-hydroxide-dfs-commencement.pdf>