

Neometals – Mt Marion Lithium Project Shareholding

Neometals {ASX: NMT} announced that Mineral Resources LTD {ASX: MIN} have taken up their option to increase their shareholding to 43%.

Neometals will receive US\$19.65 M as a result of this transaction.

Mt Marion Lithium Project Shareholding

**MIN exercises option to increase shareholding to 43.1%
Neometals to receive US\$19.65M**

Neometals Ltd (ASX: NMT) refers to Mineral Resources Limited's (ASX: MIN)

("MIN") announcement regarding the exercise of a call option to acquire an additional 13.1% of Reed Industrial Minerals Pty Ltd ("RIM") from Neometals, taking its shareholding in RIM to 43.1%.

RIM is the holder of the Mt Marion Project, a globally significant lithium deposit, containing total Indicated and Inferred Mineral Resources of 23.24 Mt at 1.39% Li₂O and 1.43% Fe₂O₃, at a cut-off grade of 0% Li₂O (refer ASX Announcement 21 September 2015 and Appendix A).

Neometals will receive US\$19.65 million from the exercise of the option. Financial close is

expected to occur on Monday 13th June. Neometals' estimated cash balance upon settlement is expected to be approximately A\$80 million. A put option granted by Neometals in favour of MIN over 7.24% of RIM, has lapsed upon exercise of the call option.

This will result in the joint venture's' equity interests being Ganfeng 43.1%, Process Minerals International Pty Ltd, MIN's wholly owned subsidiary ("PMI") 43.1% and Neometals 13.8%.

Neometals' focus is on the commercialisation of its patented "ELi" downstream lithium processing technology held in Reed Advanced Materials Pty Ltd ("RAM"). RAM is beneficially owned 70:30 by Neometals and MIN. RAM is finalising the Definitive Feasibility Study ("DFS") for a LCE lithium hydroxide plant, with results expected later this month.

ENDS

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The information in this report that relates to Mineral Resource Estimates at the Mt Marion Lithium Project are extracted from the ASX Announcement entitled "Mt Marion – New Mineral Resource

Estimate and Exploration Target" lodged 21 September 2015. The Company confirms that it is not aware of any new information

or data that materially affects the information included on the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.