

Neometals receive \$19.75 Million from Ganfeng as final close on investment decision.

Neometals Ltd {ASX: NMT} and Mineral Resources Limited (ASX: MIN} confirm the final investment decision for the Mt Marion Lithium project.

Ganfeng Lithium Co. have advanced \$19.75 for the final investment decision.

28 September 2015

Mt Marion Lithium Project Offtake and Equity Investment

Financial close and Final Investment Decision

Neometals Ltd {ASX: NMT} and Mineral Resources Limited (ASX: MIN}

(“MIN” – via its wholly owned subsidiary, Process Minerals International Pty Ltd) are pleased to announce the start of the construction phase of the Mt Marion Lithium Project following the Final Investment Decision.

First production is expected by mid-2016 from the Project, which is designed to produce more than 200,000 tpa of chemical grade spodumene concentrate.

Neometals and MIN advise that financial close has occurred regarding the formal agreements executed with China’s second largest lithium

producer, Jiangxi Ganfeng Lithium Co., Ltd, in respect of Ganfeng's equity investment in the Mount Marion Lithium Project.

As contemplated by the Share Sale, Subscription and Option Agreement, the parties have entered into a Shareholders Agreement to govern their investments in Reed Industrial Minerals Pty Ltd ("RIM"), the owner of the Project.

In addition, RIM has entered into a life-of-mine offtake agreement with Ganfeng, and a Mining Services Agreement with MIN for the construction and operation of the Project on a Build-Own-Operate basis. The completion of these agreements constitutes the Final Investment Decision.

A summary of the key terms of the agreements is set out in the annexure to this announcement.

Neometals has received a net amount of US\$19.75 million from Ganfeng in respect to the equity investment in RIM.

Chris Reed, Neometals Managing Director commented: *"This heralds a new chapter for Neometals as we move into the construction phase of Mt. Marion. We have successfully executed our strategy to bring Mt Marion to fruition teaming with a partner who provides expertise in construction and processing as well as securing a valuable offtake partner. We look forward to keeping shareholders updated with the construction progress over coming months."*

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ANNEXURE A: Summary of key terms of transaction agreements

Share Sale, Subscription and Option Agreement

- Following financial close, the shareholdings in RIM are as follows:
 - Neometals – 45%
 - PMI – 30%
 - Ganfeng – 25%
- Neometals has also granted PMI and Ganfeng options pursuant to which they can elect to increase their respective shareholdings in RIM by around Q4 of 2016 by

acquiring shares from Neometals at an agreed price. If these options are fully exercised, Neometals will be left holding 13.8% of RIM and PMI and Ganfeng will each hold 43.1%.

Offtake Agreement

- Ganfeng will purchase 100% of spodumene production from the Mount Marion Lithium Project for the life of the mine (“LOM”) at market prices on a CIF basis, subject to an agreed floor.
- After the first three years of production, MIN/Neometals can exercise options to collectively purchase up to 51% of spodumene production, with Ganfeng purchasing the remaining production.

Mining Services Agreement

- MIN (via its wholly owned subsidiary, Process Minerals International Pty Ltd) will build, own and operate the mining, crushing and beneficiation infrastructure and equipment for the Mount Marion Lithium Project.