



3 February 2016

Mt Marion Lithium Project Offtake and Equity Investment

Amendment to options terms of the Share Sale, Subscription and Option Agreement

Neometals Ltd (ASX: NMT) ("Neometals") and Mineral Resources Limited (ASX: MIN) ("MIN") refer to their announcement dated 28 September 2015 regarding financial close of the Mt Marion Project Offtake and Equity Investment with China's leading lithium producer, Ganfeng Lithium Co., Ltd ("Ganfeng").

Neometals and MIN are pleased to advise the approval of Ganfeng's request to accelerate the exercise of its option to acquire an additional 18.1% of Reed Industrial Minerals Pty Ltd ("RIM") from Neometals, taking its shareholding in RIM to 43.1%.

Neometals will receive US\$27.15 million from the exercise of the option. Financial close is expected to occur within ten business days. The board of Neometals is finalising its approach with respect to capital management having regards to its future strategic needs and outlook, and anticipates being in a position to better inform the market following financial close.

This will result in the joint venturers' equity interests being Ganfeng 43.1%, Process Minerals International Pty Ltd, MIN's wholly owned subsidiary ("PMI") 30% and Neometals 26.9%.

PMI continues to have a call option to acquire an additional 13.1% of RIM from Neometals at the price per share paid by Ganfeng on the exercise of the option above, to take PMI's shareholding to a maximum of 43.1%. The expiry date of PMI's call option is linked to certain milestones at the Mt Marion Project, expected to be achieved in Q4 of 2016. To preserve the intent of the original arrangements while allowing Ganfeng to acquire 18.1% on an accelerated basis, Ganfeng will have the right to acquire shares that PMI does not acquire on exercise of the call option, up to a maximum holding of 49%.

If PMI exercises the call option, the range of potential outcomes for the joint venturers' equity interests are:

- Neometals: between 13.8% and 26.9%
- Ganfeng: between 43.1% and 49%, and
- PMI: between 30% and 43.1%.

Again to preserve the intent of the original arrangements, PMI will continue have rights to sell down its existing interest. These include a put option granted by Neometals in favour of PMI over 7.24% of RIM, exercisable only if PMI does not exercise its call option (and at the same price per share and within the same timeframe as the call option).

If PMI does not exercise the call option, the range of potential outcomes for the joint venturers' equity interests are:

- Neometals: between 21% and 34.14%
- Ganfeng: between 43.1% and 49%, and
- PMI: between 20.4% and 30%.

ENDS

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