



Neometals

2 April 2015

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Neometals Ltd ABN 89 099 116 631

Dear Shannon

RESPONSE TO PRICE QUERY

We refer to your letter dated 2 April 2015 to Neometals Ltd (ASX: NMT) ("**Neometals**" or the "**Company**").

The Company responds to the queries in your letter as follows:

1. Yes – as previously announced in its Investor Presentation dated 18 December 2014 and its Quarterly Report dated 16 January 2015, the Company has been working on a strategy to commercialise the Mt Marion Lithium Project.

The Company advises that its 70%-owned subsidiary, Reed Industrial Minerals Pty Ltd ("RIM"), is in discussions with potential counterparties regarding RIM's Mt Marion Lithium Project.

The discussions relate to a potential transaction for:

- the acquisition by the counterparty of a minority equity stake in RIM (RIM is currently owned 70:30 by the Company and Mineral Resources Limited ("MIN") (ASX: MIN)), diluting the existing shareholders' interests pro rata; and
- an offtake agreement between the counterparty and RIM in respect of spodumene produced from the Mt Marion Lithium Project.

If a transaction is agreed, it would represent a significant milestone in Neometals' strategy to commence development of the Mt Marion Lithium Project and to transform RIM into a globally significant lithium concentrate producer and supplier to the lithium-ion battery industry.

However, the discussions remain incomplete and non-binding and there is no certainty that a binding transaction will result.

The Company will keep shareholders informed of all material developments as and when they arise.

For completeness the Company has no reason to believe that the information set out above has ceased to be confidential. Further, the Company has no reason to believe that the current activity in its share trading is in fact related to the information set out above.



All the right elements

2.
 - (a) Yes – to date, the Company has been relying on Listing Rule 3.1A not to announce the information set out above under Listing Rule 3.1.
 - (b) While the Company has no reason to believe that the discussions have ceased to be confidential, it is able to announce the information set out above.
 - (c) Not applicable.
3. Not applicable.
4. The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully

Jason Carone
COMPANY SECRETARY





2 April 2015

Mr Jason Carone
Company Secretary
Neometals Ltd
Level 1, 672 Murray Street
WEST PERTH WA 6005

By email: jason@neometals.com.au

Dear Mr Carone

Neometals Ltd (the “Entity”): ASX price and volume query

We have noted a change in the price of the Entity's securities from a low of \$0.034 on Friday 27 March 2015 to an intra-day high of \$0.043 today, Thursday 2 April 2015.

We also note an increase in the trading volume of the Entity's securities.

In light of the price and volume increase ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 3.00 p.m. WST today, Thursday 2 April 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at shannon.nicholson@asx.com.au or by facsimile to 9381 1322. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Shannon Nicholson
Senior Adviser, Listings (Perth)