

24 April 2018

Ms Dawn James
Adviser, Listings Compliance (Perth)
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Neometals Ltd ACN 099 116 631

By email: Dawn.James@asx.com.au and tradinghaltspert@asx.com.au

Dear Dawn

RESPONSE TO QUERY LETTER

We refer to your letter dated 24 April 2018 to Neometals Ltd (ASX: NMT) ("**Neometals**" or the "**Company**").

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

1. The Company pays a subscription fee to Business News Western Australia's *Bulls n' Bears* (BnB) "sponsored content" service, for ongoing media coverage of the Company's activities, authored by the journalist through the BnB ASX Release Distribution Platform. The Company pays BnB a subscription fee of \$3,900 per quarter for this service. The Company does not pay BnB per Article published.
2. Refer to the response in Item 1 above.
3. No, the content is that of BnB.
4. The Company can only assume the basis of the in-situ value statement appears to be a rudimentary calculation by BnB by multiplying resource estimates (which were contained in Neometals' announcement dated 17 April 2018 entitled "Barrambie Project – Mineral Resource Update") by prevailing commodity prices.
5. The Company has released an announcement entitled "Clarification of Business News Article".
6. The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1
7. I confirm that the Company's response to the questions raised in your letter is in accordance with the Company's published continuous disclosure policy.

Yours faithfully

Jason Carone
COMPANY SECRETARY

All the right elements





24 April 2018

Mr Jason Carone
Company Secretary
Neometals Ltd
Level 3, 1292 Hay Street
West Perth WA 6005

By email

Dear Mr Carone

NEOMETALS LTD (“NMT”): QUERY LETTER

ASX Limited (“ASX”) refers to the following:

- A. An advertising feature in the online edition of *Business News* on Monday, 23 April 2018, about NMT and entitled “Neometals sitting on US\$100B of in-situ titanium/vanadium” (“Article”) which, amongst other things, contains the following statement (“In-situ Value Statement”).

“The deposit contains nearly 26 million tonnes of titanium dioxide and 1.23 million tonnes of vanadium pentoxide. With commodity prices of TiO₂ sitting at around US\$3,000 a tonne and US\$30,000 a tonne for V₂O₅, simple maths unfettered by the complications of mining, show a crazy in-situ metal value in excess of US\$100B at Barrambie.”

- B. Clause 51 of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”) which, amongst other things, states:

51. The publication off in situ or “in ground” financial valuations breaches the principles of the Code (as set out in Clause 4) as the use of these terms is not transparent and lacks material information. It is also contrary to the intent of Clause 28 of the Code. Such in situ in ground financial valuations must not be reported by companies in relation to Exploration results, Mineral Resources or deposit size.

The use of such financial valuation (usually quoted in dollars) has little or no relationship to economic viability, value or potential return to investors.

Having regard to the above, ASX asks NMT to respond separately to each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Please advise whether the Company paid any form of consideration for the Article.
2. If the answer to 1 is “yes”, please provide details of the consideration paid.
3. Did the board of directors of NMT approve the content of the Article before its publication?
4. Please explain the basis for the In-situ Value Statement “Neometals sitting on US\$100B of in-situ titanium/vanadium”.

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5. Please confirm that NMT has released an announcement which retracts any reference to in situ resources as being contrary to the JORC Code, and includes a statement to the effect that investors should not rely on that information for their investment decisions.
 6. Please confirm that NMT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 7. Please confirm that NMT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NMT with delegated authority from the board to respond to ASX on disclosure matters.

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.

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 tradinghaltspert@asx.com.au. 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.

Please contact me immediately if you have any queries about the above.

Yours sincerely

[Sent electronically without signature]

Dawn James
Adviser, Listings Compliance (Perth)