

**HD (SWNMT) Ferret's Stock Watch; NEOMETALS LIMITED****WC** 1,148 words**PD** 4 September 2015**SN** Ralph Wragg Australian Business News**SC** AAPRAW**LA** English**CY** Copyright 2015 RWE AUSTRALIAN BUSINESS NEWS PTY LTD. All Rights Reserved.**LP**

LITHIUM OPERATOR HAS MOU WITH CHINA'S 2ND BIGGEST PPRODUCER Sydney - Friday - September 4: (RWE Aust Business News) = NEOMETALS's (ASX:NMT) jointly owned subsidiary, Reed Industrial Minerals Pty Ltd has entered into a conditional Memorandum of Understanding with China's second largest lithium producer Jiangxi Ganfeng Lithium Co., Ltd. The MOU sets out key commercial terms for: Ganfeng to acquire an up-front 25% shareholding in RIM by way of share sale and equity subscription leaving Neometals with 45% of RIM and MIN with 30% of RIM. Neometals will net about US\$19.5 million from this initial transaction. PMI and Ganfeng will be granted options by Neometals pursuant to which they can elect to increase their respective shareholdings in RIM to 43.1% by around Q4 of 2016 by way of share purchase from Neometals. If these options are fully exercised, Neometals will be left holding 13.8% of RIM.

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MIN building, owning and operating the Mount Marion mining, crushing and beneficiation infrastructure and equipment pursuant to a fixed price mining services contract. Ganfeng has entered into a long-term offtake for 100% of the spodumene produced from the Mt Marion Lithium Project at benchmarked market prices subject to an agreed price floor. Under the agreement, from year 4 onwards RIM reserves the right to take 51% of the total production if greater commercial benefit can be derived from such product ("Ganfeng Offtake"); and prudential corporate governance arrangements for RIM between Ganfeng and RIM's existing shareholders with equal board representation for all shareholders. The parties will proceed to finalise Formal Agreements to give full effect to the terms of the MOU with execution and financial close scheduled for 31 August 2015. Financial close will trigger a final Investment Decision for the Mt Marion lithium concentrate operation and commencement of full plant construction and assemblage as all necessary approvals for the project have been secured by RIM. MIN is already well advanced with development planning and procurement, with commissioning and production of lithium concentrate product anticipated by mid-2016. Neometals and Mineral Resources (MIN) - via its wholly owned subsidiary Process Minerals International Pty Ltd refer to their joint announcements on July 16, 2015 and August 31, 2015 regarding the binding Memorandum of Understanding (MOU) entered into by their jointly owned subsidiary Reed Industrial Minerals Pty Ltd (RIM) with Jiangxi Ganfeng Lithium Co. Ltd. Neometals and MIN have advised that Ganfeng has received confirmation from the Foreign Investment Review Board that FIRB has no objections to the proposed equity investment by Ganfeng in RIM. This satisfies the condition in the MOU for receipt of FIRB approval. Neometals and MIN will continue to keep the market updated on material developments relating to the proposed investment. The parties are continuing to progress the formal agreements to document and give full effect to the terms agreed in the MOU and have agreed to extend the date for the execution of the agreements to September 15, 2015. Following execution of the formal agreements and receipt of FIRB approval, Ganfeng will seek approval of the transaction from its shareholders and the Jiangxi Provincial Government. For the quarter ended June 30, 2015 Highlights: Mt Marion Lithium Project - * Subsequent to the end of the quarter a binding conditional MoU was signed with Jiangxi Ganfeng Lithium Co., Ltd, China's second largest lithium producer for life of mine offtake and equity acquisition which at completion will trigger final investment decision to construct lithium concentrate operation. * At completion Neometals will receive US\$19.5M and dilute from 70% to 45% of RIM. * Transaction excludes downstream lithium processing intellectual property held in JV with Mineral Resources Ltd. Barrambie Titanium Project * Pre-feasibility Study continuing with estimated completion in August 2015 Corporate * Evaluating divestment of nickel portfolio * Cash and restricted

access term deposits \$7.5 million SHARE PRICE MOVEMENTS ----- Shares of Neometals yesterday edged up 1c to 14.5c. Rolling high for the year is 16.5c and low 2.5c. The company has 509 million shares on issue with a market cap of \$73.8 million. Barrambie Pre-feasibility study results released on August 25 Highlights: • Confirmation of the technical feasibility of a licenced proprietary process to produce +99% pure titanium dioxide (TiO₂). • Potential for lowest quartile operating cost per tonne pure TiO₂ produced after co-product credits. Neometals has provided the results of its Pre-feasibility Study (PFS) on its 100% owned Barrambie Titanium Project. The economic assessment carried out by Snowden, and based on capital and operating costs developed by Sedgman Limited, indicates the potential for a viable hard-rock titanium mining and processing operation. The PFS has highlighted the potential for the Barrambie Project to be a low cost producer of titanium dioxide (TiO₂), vanadium pentoxide (V₂O₅) and iron oxide (Fe₂O₃), over a mine life of 19.6 years. Full details of the Pre-Feasibility Study are available. BACKGROUND ----- Neometals (ASX:NMT), formerly Reed Resources Ltd) is a mineral exploration company operating primarily in Western Australia. NMT has 100% interests in Meekatharra Gold Project, Barrambie Vanadium Project and the Comet Vale Project. NMT also holds partial interests in the Mt Marion and the Mt Finnerty Projects in WA. Meekatharra gold project (100%): The project centred on the Bluebird processing plant, was located 640km northeast of Perth and 10 km south of Meekatharra, in the Murchison Region of Western Australia. The project also contains the 3Mtpa Bluebird CIL processing plant. The project has produced 22,710oz of Au during the year. The Barrambie project (100%): The project is located in the Mid-West region of WA and has a mineral resource estimate of 47.2 Mt @ 22.2% TiO₂, 0.63% V₂O₅ and 46.7% Fe₂O₃ at a cut-off grade of 15% TiO₂. Mt Marion lithium project (70%): : The project is locate 40km SW of Kalgoorlie, WA and is a JV with Mineral Resources Ltd. There are 6 deposits all open along strike and at depth. The current JORC resource for the project is 14.8Mt @ 1.3% Li₂O. A Pre-feasibility Study was completed in September 2012. The Mt Finnerty project (20%): The project is located 65km east of Koolyanobbing and is currently being explored for iron ore in JV with Cliffs Natural Resources (Cliffs) and nickel mineralisation in JV with Barranco Resources NL (Barranco). The Inferred resource for the project is at 47Mt @ 53.5% Fe. Comet Vale Project (100%): The project is located 100km north of Kalgoorlie, is prospective for gold and covers an area of 25sqkm. The project has combined underground and open-pitabile resource of 850Kt @ 7.66g/t Au for 209,000oz. Nimbus Silver -Zinc royalty (1%): FY13, NMTheld a 1% Net Smelter Royalty on all Zn extracted and recovered form M26/0490 and M26/0598 containing Macphersons Resources Ltd's Nimbus Silver-Gold-Zinc mine.

CO jglcom : Jiangxi Ganfeng Lithium Company Limited

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