



Neometals

ASX RELEASE

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Completion of transaction with Metals X

Neometals Ltd (ASX: NMT) is pleased to advise that its 70%-owned subsidiary, Reed Industrial Minerals Pty Ltd (**RIM**), has completed the transaction with Metals X Ltd (ASX: MLX) which was announced to the ASX on 22 January 2015. Under the agreement, RIM has agreed to lease the lithium mining rights over a portion of the Hampton Area Location 53, which adjoins the Mt Marion Lithium Project, and to purchase an adjoining mining lease and associated infrastructure from Metals X.

Leading mining services provider Mineral Resources Limited (ASX:MIN)("MRL") owns the remaining 30% of RIM and funds and operates the project through its subsidiary, Process Minerals International Pty Ltd.

Completion of the transaction will allow RIM to explore and develop extensions of the No 2 and No 2 West Lithium Deposits, located on the northern boundary of the Mt Marion Project (see Figure 1). Previous drilling at the No 2 and No 2 West deposits indicates that lithium mineralisation continues into the newly leased tenements, providing RIM an opportunity to expand the current JORC resource with further exploration. A new resource exploration potential estimate is being prepared as part of an extensive resource expansion and infill drilling program under development.

In addition, the purchase of the adjoining leases and associated infrastructure will provide potential tailings storage, optimal waste dump positioning and access to an existing heavy haul road which will benefit the future development of Mt Marion.

Chris Reed, Managing Director, commented:

"We are pleased to have completed another step towards transforming RIM into a globally significant lithium concentrate producer and supplier to the lithium-ion battery industry.

The next step in the project's development plan is to finalise binding offtake agreements which are well progressed, before we commit to a final investment decision."

ENDS



All the right elements

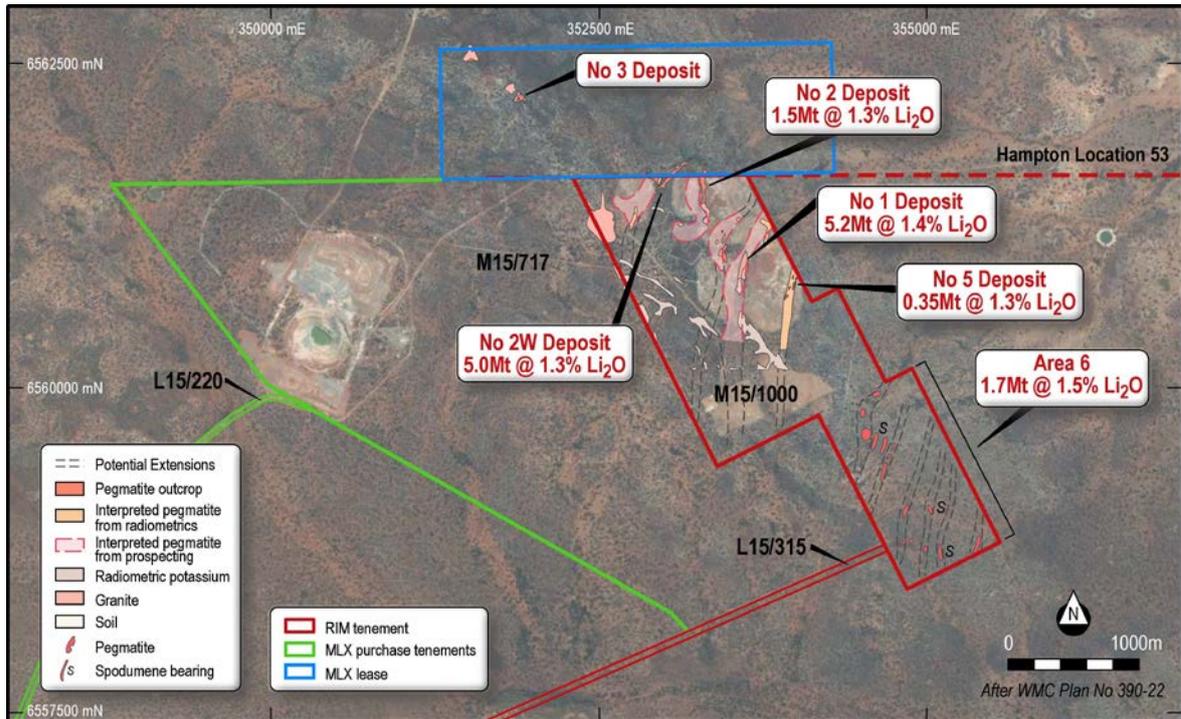


Figure 1. Geology over existing RIM tenure (red) with lease area (blue) and tenements being purchased (green).

Table 1. Mineral Resource Estimates for the Mt Marion Lithium deposit, as at July 2011, for a block cut-off grade of 0.3% Li₂O

Project Area	Material type	Measured			Indicated			Inferred			Total		
		Tonnes	Li ₂ O%	Fe ₂ O ₃ %	Tonnes	Li ₂ O%	Fe ₂ O ₃ %	Tonnes	Li ₂ O%	Fe ₂ O ₃ %	Tonnes	Li ₂ O%	Fe ₂ O ₃ %
Area1	Oxide	60,000	1.19	0.67	144,000	1.26	0.82	179,000	1.2	1.0	383,000	1.2	0.9
	Transitional	658,000	1.44	0.79	727,000	1.41	1.14	353,000	1.3	1.4	1,739,000	1.4	1.1
	Fresh	666,000	1.54	0.98	1,051,000	1.41	1.31	1,379,000	1.3	1.4	3,096,000	1.4	1.3
	Subtotal	1,384,000	1.48	0.88	1,923,000	1.40	1.21	1,911,000	1.3	1.4	5,218,000	1.4	1.2
Area2	Oxide	-	0.00	0.00	-	1.64	1.19	18,000	1.3	1.1	18,000	1.3	1.1
	Transitional	-	0.00	0.00	19,000	1.42	1.50	215,000	1.3	1.4	234,000	1.3	1.4
	Fresh	64,000	1.31	1.41	385,000	1.35	1.59	833,000	1.3	1.5	1,281,000	1.3	1.5
	Subtotal	64,000	1.31	1.41	404,000	1.35	1.59	1,065,000	1.3	1.5	1,532,000	1.3	1.5
Area2W	Oxide	-	0.00	0.00	6,000	0.90	0.92	33,000	0.9	1.0	39,000	0.9	1.0
	Transitional	2,000	1.23	1.19	56,000	1.09	1.11	210,000	1.1	1.1	268,000	1.1	1.1
	Fresh	433,000	1.38	0.97	1,554,000	1.39	1.12	2,669,000	1.3	1.1	4,655,000	1.3	1.1
	Subtotal	435,000	1.38	0.97	1,616,000	1.38	1.12	2,911,000	1.3	1.1	4,963,000	1.3	1.1
Area4	Oxide	-	0.00	0.00	-	0.00	0.00	4,000	0.8	1.6	4,000	0.8	1.6
	Transitional	17,000	1.31	1.43	182,000	1.22	1.35	251,000	1.1	1.5	450,000	1.1	1.4
	Fresh	28,000	1.47	1.26	223,000	1.32	1.34	397,000	1.3	1.3	648,000	1.3	1.3
	Subtotal	45,000	1.41	1.33	405,000	1.28	1.34	652,000	1.2	1.4	1,102,000	1.2	1.3
Area5	Oxide	-	0.00	0.00	-	0.00	0.00	22,000	1.1	2.2	22,000	1.1	2.2
	Transitional	-	0.00	0.00	2,000	1.41	1.82	102,000	1.3	2.4	104,000	1.3	2.4
	Fresh	-	0.00	0.00	9,000	1.44	2.24	216,000	1.3	2.2	226,000	1.3	2.2
	Subtotal	-	0.00	0.00	11,000	1.43	2.17	340,000	1.3	2.3	351,000	1.3	2.3
Area6	Oxide	-	0.00	0.00	2,000	1.57	1.36	55,000	1.6	1.7	58,000	1.6	1.7
	Transitional	16,000	1.57	1.12	208,000	1.53	1.24	663,000	1.4	1.4	887,000	1.4	1.3
	Fresh	71,000	1.59	0.98	200,000	1.54	1.15	485,000	1.5	1.2	756,000	1.5	1.1
	Subtotal	87,000	1.59	1.01	411,000	1.54	1.20	1,203,000	1.5	1.3	1,701,000	1.5	1.3
Project	Total	2,015,000	1.45	0.93	4,769,000	1.39	1.22	8,082,000	1.3	1.3	14,866,000	1.30	1.2

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Compliance Statement

The information in this report that relates to Mineral Resource Estimates at the Mt Marion Lithium Project is extracted from the ASX Announcement entitled “ Mt Marion – JORC 2012 Mineral Resource Estimate” lodged 9 December 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included on the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

