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Lithium offtake arrangements expanded at Mt Marion Project

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").

Under the initial offtake arrangements between Ganfeng and the project vehicle, Reed Industrial Minerals Pty Ltd ("RIM"), Ganfeng agreed to take-or-pay 100% of the 6% Li₂O, chemical grade spodumene concentrate produced from the Mt Marion Project.

Metallurgical test work has identified an additional spodumene product can be generated through the addition of a flotation circuit to the current beneficiation plant. Neometals and MIN are pleased to advise that Ganfeng has agreed to expand the scope of the offtake arrangements to take-or-pay an additional 80,000 tpa of spodumene concentrate of between 4% and 6% Li₂O content, generated by flotation at agreed discounts to the market prices for the 6% Li₂O product.

The expansion remains conditional on RIM and MIN (via its wholly owned subsidiary, Process Minerals International Pty Ltd) agreeing and finalising the necessary variations to the Mining Services Agreement to cover the production of the lower grade product, which will include the addition of a flotation plant at the Mt Marion Project. The variation will be concluded on completion of a detailed metallurgical test program currently being undertaken.

ENDS

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