

Market Announcements Office
ASX Limited
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Neometals Ltd – Notice under 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Neometals Ltd (ACN 099 116 631) (ASX: NMT) (**Neometals** or **the Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* (**ASIC Modification Instruments**).

Neometals has today announced a capital raising comprised of:

- a 1 for 6 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in Neometals (**New Shares**) to raise up to approximately \$5.1 million (before costs) (**Entitlement Offer**); and
- a two-tranche placement to sophisticated, professional and institutional investors to raise approximately \$7.9 million (before costs) (**Placement**).

Under the Entitlement Offer, eligible shareholders who subscribe for their entitlement in full are also eligible to apply for additional New Shares that are not subscribed for under the Entitlement Offer (**Top-Up Facility**). Any additional shortfall under the Entitlement Offer will be dealt with by the Company at its absolute discretion (including by placing any shortfall shares to new sophisticated and institutional investors in conjunction with the joint lead managers to the Placement (**Shortfall Placement**)). Further details regarding the Entitlement Offer will be set out in the Entitlement Offer booklet.

For the purposes of section 708AA(7) of the Corporations Act, Neometals confirms that:

- a) The New Shares will be offered without disclosure under Part 6D.2 of the Corporations Act.
- b) This notice is being given under section 708AA(2)(f) of the Corporations Act, as modified by the ASIC Modification Instruments.
- c) As at the date of this notice, Neometals has complied with:
 - 1) the provisions of Chapter 2M of the Corporations Act as they apply to Neometals; and
 - 2) sections 674 and 674A of the Corporations Act.
- d) As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act.
- e) The potential effect that the issue of New Shares will have on the control of Neometals, and the consequences of that effect, will depend on a number of factors, including the extent to which eligible shareholders take up their pro-rata entitlements under the Entitlement Offer and subscribe for New Shares under the Top-Up Facility, as well as whether the directors exercise their discretion to undertake the Shortfall Placement. In particular:
 - 1) the Entitlement Offer is structured as a pro-rata issue. If all eligible shareholders of Neometals take up their entitlements, the ownership interest (and voting power) in Neometals of each eligible shareholder will remain largely unchanged. To the extent that any eligible shareholder of Neometals



- fails, or is unable, to take up their entitlement in full, their percentage holding in Neometals will be diluted by those other eligible shareholders who take up some or all of their entitlements, or who subscribe for additional New Shares under the Top-Up Facility;
- 2) the Entitlement Offer is not underwritten. If an eligible shareholder takes up their full entitlement under the Entitlement Offer (or subscribes for additional New Shares under the Top-Up Facility) but the Entitlement Offer is not otherwise fully subscribed, the percentage holding of that eligible shareholder may increase;
 - 3) the voting power of ineligible shareholders of Neometals will be diluted as a result of the Entitlement Offer;
 - 4) the Company is also undertaking the Placement to raise gross proceeds of approximately \$7.9 million. Should the Entitlement Offer be fully subscribed, New Shares in the Company issued under the Placement will represent approximately 18% of the fully paid ordinary shares on issue following completion of both the Placement and the Entitlement Offer. Accordingly, existing shareholders of the Company will be diluted by the Placement, even if they take up their entitlements under the Entitlement Offer (but subject to any subscription for New Shares under the Top-Up Facility);
 - 5) in the event that the Entitlement Offer is not fully subscribed and the directors exercise their discretion to undertake the Shortfall Placement, existing shareholders of the Company will be diluted by the Shortfall Placement, even if they take up their entitlements under the Entitlement Offer (but subject to any subscription for New Shares under the Top-Up Facility); and
 - 6) it is not currently anticipated that any shareholder of the Company or investor will increase their relevant interest above 20% as a result of participating in the Entitlement Offer or the Placement.

In light of these factors, and given the structure of the Entitlement Offer as a pro-rata issue and the current level of substantial holdings (based on substantial holder notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material consequence on the control of Neometals.

Authorised for release by the Board of Neometals Ltd.

Yours sincerely

Mark Boyne
Joint Company Secretary
Neometals Ltd