

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Neometals Ltd

ABN

89 099 116 631

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 mths) \$A'000
1.1 Receipts from product sales and related debtors	156	323
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) gas transmission	(199)	(502)
(e) administration	(441)	(1,360)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(484)	(1,539)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(52)
1.9 Proceeds from sale of: (a) prospects	50	50
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(57)	(67)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
(a) Interest and other items of similar nature received	99	148
(b) exploration & evaluation	(912)	(1,297)
Net investing cash flows	(820)	(1,218)
1.13 Total operating and investing cash flows (carried forward)	(1,304)	(2,757)

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1.13	Total operating and investing cash flows (brought forward)	(1,304)	(2,757)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	62
1.17	Repayment of borrowings	(6)	(13)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	(a) share issue costs	-	-
	(b) Interest paid / borrowing Costs	(110)	(164)
	(c)	-	-
	Net financing cash flows	(116)	(115)
	Net increase (decrease) in cash held	(1,420)	(2,872)
1.20	Cash at beginning of quarter/year to date	11,708	13,160
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	10,288	10,288

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	145
1.24	Aggregate amount of loans to the parties included in item 1.10	57

1.25 Explanation necessary for an understanding of the transactions

Re.1.23 - During the quarter \$145,000 was paid to directors of the entity.
 Re.1.24 – During the quarter \$56,597 was advanced for working capital purposes to Reed Industrial Minerals Pty Ltd a Joint Arrangement with Mineral Resources Ltd.
 Re. 1.19 (b) – \$108,767 in interest was paid to the Chairman pursuant to a working capital finance facility, including \$55,000 prepayment for the final 3 months interest.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

At the Company's AGM on 29 November 2014 shareholders approved to vary the terms of the convertible note facility with the Company's Chairman. The notes were extended to 22 November 2015 at a conversion price of 4 cents per share. The interest rate was fixed at 11%.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,000	2,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	700
Total	1,100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,193	5,613
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	6,095	6,095
Total: cash at end of quarter (item 1.22)	10,288	11,708

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E16/448 E63/1715	Surrendered - 01/10/2014 Withdrawn - 06/10/2014	100% 100%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E63/1701	Granted 17/10/2014	0%
		E15/1416	Granted 31/10/2014	0%
		R16/1	Application 27/11/2014	0%
		R16/2	Application 27/11/2014	0%
		E58/471	Application 07/10/2014	0%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	499,453,895	499,453,895	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	*Convertible debt securities (description)	Convertible notes (conversion price of \$0.04, redemption date of 22 November 2015).	Nil	\$1.00

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,000,000	Nil	Exercise price \$1.000	Expiry date 31/12/2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

(Company secretary)

Date: 16 January 2015

Print name: Jason Carone

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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