

# Update for the Quarter Ending 31 December 2020

29 January 2020

**New Energy Minerals**

ABN 34 090 074 785  
ASX Code: NXE

[newenergyminerals.com.au](http://newenergyminerals.com.au)

Level 1  
9 Bowman Street  
South Perth, WA 6151

Phone:  
+61 (0)8 9217 2400

New Energy Minerals Limited (“**New Energy**”, the “**Company**”) (**ASX:NXE**, **FRA:GGY**) is pleased to provide an update to the market in relation to the Company’s activities for the period ending 31 December 2020.

## Corporate Update

### New Project Acquisition

The Company has previously announced with the closing of the Balama Sale Transaction on 17 July 2020 that it has no further operations in Mozambique and that the closing also represented a disposal of its main undertaking as previously approved by shareholders at a general shareholder meeting on 13 May 2020.

Subsequently, the Company agreed to acquire a new mineral project and on 13 October 2020 requested a trading halt pursuant to ASX Listing Rule 17.1 pending announcement of a project acquisition.

On 13 November 2020, the ASX suspended the Company from official quotation pending the release of an announcement regarding an acquisition and that the Company’s securities will remain suspended until it has complied with Chapters 1 and 2 of the Listing Rules, including the issue of a prospectus.

### Arena Investors Dispute

Confidential settlement negotiations with Arena have continued during the quarter and the Company expects to be able to make a further announcement in this regard during the first quarter of 2021.<sup>1</sup>

### Appointment of experienced technical directors

On 18 November 2020, the Company announced the appointment of Dr Bernard Olivier and Dr Evan Kirby to the Board of the Company in conjunction with the resignation of Mr Paul Ching and Mr Jackie Lee<sup>2</sup>.

Both were nominated to the Board by the Company’s largest shareholder UBezTT International Investment Holdings (BVI) Ltd.

<sup>1</sup> In November 2018 the Company applied to the Supreme Court of Western Australia to set aside a statutory demand received from Arena Investors. The demand was set aside by the Master of the Supreme Court on Thursday 25 July 2019. Please refer to ASX Announcements dated 6 November 2018, 21 November 2018, 14 December 2018, 28 March 2019, 22 July 2019, 21 August 2019, 6 November 2019, 24 December 2019 and 27 February 2020 for further details of the dispute with Arena Investors including Arena’s writ of summons received on 24 December 2019

<sup>2</sup> Refer to ASX Announcement dated 18 November 2020 for further details

*The Company confirms that this announcement has been authorised and approved by its Board.*

## FOR FURTHER INFORMATION, PLEASE CONTACT:

**New Energy Minerals Limited**

**Christiaan Jordaan**

**Managing Director**

[info@newenergyminerals.com.au](mailto:info@newenergyminerals.com.au)

+ 61 (0) 8 9217 2400

### FORWARD-LOOKING STATEMENTS AND DISCLAIMERS:

This document may include forward-looking statements. Forward-looking statements include but are not necessarily limited to the Company's planned exploration program and other statements that are not historic facts. When used in this document, words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although the Company considers that its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

Recipients are cautioned against placing reliance on forward-looking statements in the announcement, actual values, results and or interpretations may be materially different to those implied or expressed as they are limited to this announcements date of issue.

The announcement is in summary form and for information purposes only, recipients are urged to conduct their own analysis to satisfy themselves to the accuracy and completeness of the information, any statements and/or opinions that have been made in this announcement.

This announcement and the information summarised herein does not constitute as offer, invitation, solicitation or recommendation in relation to the sale or purchase of shares in any jurisdiction. The announcement may only be distributed in jurisdictions where the legal requirements of that jurisdiction is met. Recipients are advised to familiarise themselves and be aware of the legal requirements and restrictions that may apply to their jurisdictions as a failure to comply may result in a violation of the securities laws.

The announcement has been compiled without consideration to the recipient's investment objectives, financial needs or circumstances. The information, opinions and recommendations in this announcement does not constitute investment advice or recommendation. Recipients are urged to always seek professional advice before making any investment decision.

All investment transactions involve risk, including but not limited to, market fluctuations, adverse political and financial developments. New Energy Minerals Limited, its employees, its contractors, its officers, its agents and advisors do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

This announcement has been prepared by New Energy Minerals Limited (ASX:NXE), this document contains background information about NXE that is current at the date of this announcement. This announcement is in a summary format and should not be seen as all-inclusive or complete.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

NEW ENERGY MINERALS LTD

ABN

34 090 074 785

Quarter ended ("current quarter")

31 DECEMBER 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(91)	(174)
(e) administration and corporate costs	(110)	(201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(3)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	11	52
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(193)</b>	<b>(332)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(88)	(113)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	528
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(88)</b>	<b>415</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(3)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	712	351
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(193)	(332)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(88)	415
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(3)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>431</b>	<b>431</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	379	660
5.2	Call deposits	52	52
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>431</b>	<b>712</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

<b>Current quarter \$A'000</b>
80
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	2,864	2,864
<b>7.4 Total financing facilities</b>	<b>2,864</b>	<b>2,864</b>

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As at 31 December 2019 Arena held a total of \$2.5million (face value) of convertible notes in the Company, of which \$1million is in Tranche 1 notes issued in January 2018 with an 18-month term and \$1.5million is in Tranche 2A notes issued in July 2018, also with an 18-month term.

As at the date of this report the Company and Arena are in dispute, as previously announced to market. As a result, the Unsecured Convertible Note Deed between Arena Structured Private Investments (Cayman) LLC and New Energy was terminated in November 2018 and as such no further funding is available from Arena.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(193)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(88)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(281)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	431
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	431
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>1.54</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

No. The Company has entered into a conditional agreement to make a new project acquisition and has applied to ASX for approval in principle to seek recompliance with Chapters 1 & 2 of the ASX Listing Rules. During this time costs have been minimised and ASX does not permit any announcement to be made about the proposed project acquisition until certain further conditions have been met.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes. As part of the proposed Chapters 1 & 2 recompliance noted above the Company will seek to raise new capital. Concurrent with making a market announcement in relation to a new project acquisition the Company anticipates it will also work on a capital raising in the form of a rights issue and placement.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. The Company continues to focus on its short-term business objectives which are the new project acquisition and following approval for the ASX and shareholders raising new capital. As noted, this requires an approval from the shareholders of the Company and in this regard a Notice of General Meeting will be arranged in the near future subject to approval of such notice and Chapters 1 & 2 recompliance by the ASX.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by:   
(Christiaan Jordaan - Managing Director – By the Board – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.