

# Settlement of Disputes with Arena

12 February 2021

New Energy Minerals Limited (“**New Energy**”, the “**Company**”) (**ASX:NXE FRA:GGY**) announces that it has reached a settlement with Arena Structured Private Investments (Cayman) LLC (“**Arena**”), in relation to a \$2.5 million (face value) convertible note facility provided to the Company which has been the subject of a claim by Arena and counterclaim by New Energy following the termination of the Convertible Note Deed in November 2018<sup>1</sup>.

The Convertible Note Deed was executed on 5 January 2018 and followed by an Amendment Deed executed on 22 May 2018 and a Consent Deed executed on 13 August 2018.

New Energy has previously announced that Arena commenced proceedings against the Company in the Supreme Court of Western Australia whereby it sought declarations and orders that New Energy is liable to pay Arena the outstanding Principal Amount of \$2,500,000, a Termination Payment of \$2,535,000, interest and legal costs.

The Company filed its defence and counterclaim on 3 April 2020 whereby New Energy denied liability in respect of Arena’s claims in the proceedings and made a counterclaim alleging that Arena’s conduct constituted unconscionable conduct, economic duress or the tort of intimidation and seeking damages as well as orders declaring the Amendment Deed void.

The settlement of all claims between New Energy and Arena has been reached without admissions as to liability. Pursuant to the Settlement Deed (“**Deed**”) executed on 10 February 2021 the terms of the settlement are summarised as follows:

- New Energy will pay Arena the sum of \$500,000 within 14 days of its re-listing on ASX;

New Energy issues to Arena the First Equity Tranche, which is the number of shares calculated by dividing the sum of \$750,000 by the New Energy re-listing share price offered under a future capital raising;

- New Energy issues to Arena the Second Equity Tranche, which is the number of shares calculated by dividing the sum of \$600,000 by the VWAP in the 5 Trading Days prior to the date that is 12 calendar months from the date of the re-listing.

The Settlement Deed is subject to New Energy obtaining all necessary approvals from shareholders and ASX for the re-listing and shareholder approvals for the First Equity Tranche and Second Equity Tranche.

**New Energy  
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<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

Lock-up provisions will apply to the First Equity Tranche, so that Arena cannot sell more than:

- 25% of the shares in the first 3 months;
- 50% in the first 6 months; and
- 75% in the first 9 months,

or such other escrow period as may be determined by ASX as a condition of re-listing.

Managing Director Christiaan Jordaan commented by saying, “the Board is very pleased to have reached this settlement with Arena and in doing so commends Arena for allowing the Company to work on a settlement framework as part of the planned re-admission to trading on the ASX platform. The Company expects to make a further announcement about its Chapters 1 & 2 re-compliance process shortly.”



Christiaan Jordaan  
Managing Director

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

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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