

Update for the Quarter Ending 31 March 2021

23 April 2021

New Energy Minerals

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ASX Code: NXE

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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 March 2021.

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 re-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 notified the Company that the Company’s securities would remain suspended until it re-complied with Chapters 1 and 2 of the ASX Listing Rules, including the issue of a prospectus.

New Energy has continued to liaise closely with the ASX in relation to the new mineral project acquisition and Chapters 1 and 2 re-compliance matters and expects to make a comprehensive announcement in the very near future.

Settlement of Disputes with Arena

On 12 February 2021¹ New Energy announced that it had 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.

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.

¹ ASX release 12 2 2021 – Settlement of Disputes with Arena

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.

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.

Board and Management Changes

On 2 March 2021 New Energy announced that Mr Christiaan Jordaan has, with his consent, been retrenched as Managing Director.¹

He continues to serve as a Non-Executive Director of the Company until the earlier of the re-admission of the Company to ASX or 30 April 2021. However, Mr Jordaan has agreed with the Company to resign, if so requested by the Company, as Non-Executive Director at any time after 31 March 2021.

New Energy has tightened costs as much as possible pending completion of a new project acquisition which has been conditionally agreed by the Company and pending re-admission of the Company to ASX. Directors consider that the Company can no longer justify the cost of a full-time managing director in its current circumstances. Most Directors have agreed to take shares in lieu of the payment of director fees in cash until re-admission to ASX, as announced on 2 March 2021.

New Energy Chairman Ian Daymond has agreed to serve as Interim Executive Chairman until a new managing director is appointed. He will be supported by the Company Secretary and CFO, Mr Robert Marusco and will also have the support of Dr Bernard Olivier and Dr Evan Kirby as Non-Executive Directors in the day-to-day management of the Company.

The search for a new Managing Director continued during the quarter.

¹ ASX release 2 3 2021 – Board & Management Changes

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

New Energy Minerals Limited

Ian C. Daymond

Executive Chairman

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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 MARCH 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(38)	(212)
(e) administration and corporate costs	(67)	(268)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(5)	(17)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	52
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(110)	(442)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(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 (9 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)	-	-
2.6	Net cash from / (used in) investing activities	-	415
3.	Cash flows from financing activities		
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)	-	-
3.10	Net cash from / (used in) financing activities	-	(3)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	431	351
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(110)	(442)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	321	321

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	269	379
5.2	Call deposits	52	52
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	321	431

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	31
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	1,850	1,850
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p> <p>On 12 February 2021 New Energy announced 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.</p> <p>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:</p> <ul style="list-style-type: none"> New Energy will pay Arena the sum of \$500,000 within 14 days of its re-listing on ASX; <p>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;</p> <ul style="list-style-type: none"> 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. <p>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 with additional details contained in the 31 March 2021 quarterly report of the Company.</p>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(110)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(110)
8.4 Cash and cash equivalents at quarter end (item 4.6)	321
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	321
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.92
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: N/A	
8.8.2 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: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date:23 APRIL 2021.....

Authorised by:BY THE BOARD.....
(Name of body or officer authorising release – see note 4)

Notes

- 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

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

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.